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The Consultative Group  
of Ministers or High-level  
Representatives  
on Broader International  
Environmental Governance Reform

## OPTIONS FOR BROADER REFORM OF INTERNATIONAL ENVIRONMENTAL GOVERNANCE

Background paper by the Executive Director

Issued without formal editing

### **Summary**

This background paper is prepared by the Executive Director as adviser to the Consultative Group established by decision SSXI/1 of the UNEP Governing Council/Global Ministerial Environment Forum (GC/GMEF), to build upon the work of the Consultative Group that concluded its work under GC decision 25/4 (the Belgrade Process).

This paper has been prepared to assist the Consultative Group to assist the Consultative Group in implementing GC decision SSXI/1 by identifying possible options for broader reform to fully achieve the objectives and functions for international environmental governance and how each option would better meet the needs of countries.

The paper was distributed on 14 May, 2010, and electronic comments are requested to be sent on or before 1 June 2010, to the Executive Director through the Secretary of Governing Bodies.

## OPTIONS FOR BROADER REFORM OF INTERNATIONAL ENVIRONMENTAL GOVERNANCE

This paper is prepared by the Executive Director as adviser to the Consultative Group on broader reform of the International Environmental Governance system established by decision SSXI/1 of the UNEP Governing Council/Global Ministerial Environment Forum (GC/GMEF). The group is tasked with presenting a report to the GC at its twenty-sixth session in February 2011 in anticipation of the Council's contribution to the open-ended preparatory committee for the United Nations Conference on Sustainable Development and the General Assembly. In doing so, the group will build upon the work of the Consultative Group that was established under GC decision 25/4 (the *Belgrade Process*).

The Consultative Group of the Belgrade Process presented a Set of options to the eleventh special session of the GC/GMEF. The objectives and functions of the international environmental governance system were considered by the Group in the context of the United Nations system (the 'UN system') as a whole, notwithstanding current mandates, programmes or activities.

In addition to presenting options for incremental reforms that could further enhance the international environmental governance system, the Consultative Group noted that there is also a need to reassess the adequacy of the existing international environmental governance system through addressing broader reforms in the context of sustainable development – addressing both the strengthening of the environmental pillar as well as its integration and interrelationship with the other pillars.

Various options for broader reforms, which are not mutually exclusive, were put forward including:

- i. enhancing UNEP;
- ii. a new umbrella organization for sustainable development;
- iii. a specialized agency such as a World Environment Organization;
- iv. possible reforms to ECOSOC and the Commission on Sustainable Development; and
- v. enhanced institutional reforms and streamlining of present structures.

It was recognised that such options, and others that may emerge, now require broader political inputs and guidance.

The purpose of this paper is to assist the Consultative Group in implementing GC decision SSXI/1 by identifying possible options for broader reform to fully achieve the objectives and functions for international environmental governance and how each option would better meet the needs of countries. In particular, paragraph 8 of the decision states that "the group will consider the broader reform of the international environmental governance system, building on the set of options but remaining open to new ideas."

In this regard, the table below seeks to identify options for broader reform that would generally be required to meet the needs of the identified objectives and functions without delineating which bodies, existing or otherwise, would carry out these functions.

Each objective and its associated functions are treated as modules and the options described can be combined or viewed as separate reforms. A number of different options can be combined to reform the IEG system and to meet the identified objectives. This paper describes these options without assigning priority or preference to any and without prejudging what overall forms the system will take. Annotations to the options are included to provide further detail and possible scenarios for their implementation.

**Table of options for objectives and functions and options 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<sup>1</sup></b>	<p><b>Status:</b> Many institutional data and assessment mechanisms; several intergovernmental advisory bodies; some intergovernmental assessments.</p> <p><b>Gaps:</b> lack of developing country capacity; need for better interoperability and availability of data; inadequate overall governance of the science policy interface.</p>	<p><b>Status:</b> High number of treaties with largely aspirational commitments; several intergovernmental bodies tasked with agenda setting; environment on the agenda of many policy sectors.</p> <p><b>Gaps:</b> alarming gap between commitment and action; inadequate environment-development integration; competing intergovernmental bodies for overall norm-setting.</p>	<p><b>Status:</b> 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> inadequate policy and programme coordination; lack of systematic review of effectiveness; no overall approach to administration of MEAs.</p>	<p><b>Status:</b> Several multilateral funds for different purposes; some markets for environmental services.</p> <p><b>Gaps:</b> 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> Several capacity building mechanisms; some financial support mechanisms; a few technology transfer mechanisms.</p> <p><b>Gaps:</b> Level of support does not match needs of developing countries; inadequate integration into development assistance; inadequate overall governance of support system.</p>

<sup>1</sup> For detailed analysis see enclosed note by the Executive Director, entitled 'Environment in the UN system'

<p><b>Options</b></p>	<ol style="list-style-type: none"> <li>1. Establish an intergovernmental body for governing the environmental science-policy interface in order to meet the medium to long-term knowledge needs of countries and the IEG regime.</li> <li>2. Create an intergovernmentally legitimate, policy relevant and scientifically credible, multi-scaled assessment process for keeping the impact of environmental change on human well-being under review.</li> <li>3. 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.</li> <li>4. Establish an independent research institute for development and coordination of research at the international level in</li> </ol>	<ol style="list-style-type: none"> <li>1. Create a body that would set minimum global standards on global environmental issues and regional standards for regional based environmental issues. Standards would be based on agreed science and guided by the precautionary approach. The body would have a capacity development and technical assistance arm to assist developing countries achieve standards.</li> <li>2. Establish an intergovernmental review mechanism for reviewing the national implementation of MEAs and other international environmental obligations.</li> <li>3. Establish a global policy organization with universal membership to set, coordinate, and monitor the global environmental agenda.</li> <li>4. Link global environmental policy making with global environmental financing.</li> <li>5. Develop a general agreement for environmental sustainability that would integrate different international institutions</li> </ol>	<ol style="list-style-type: none"> <li>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 MEAs 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.</li> <li>2. Create a member driven 'coordination council' composed of a representative group of countries, not secretariats, to ensure the legal authority, hierarchy and a power base to evoke cooperation amongst the MEAs that have their individual conference of the parties. In order to address the diverse issues of the MEAs, the Council could have committees based on MEAs clusters.</li> <li>3. Establish UN system-wide medium term strategy for the environment,</li> </ol>	<ol style="list-style-type: none"> <li>1. Widen donor base, e.g. establish mechanism for receipt of private/philanthropic donations.</li> <li>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.</li> <li>3. Provide budget with both assessed contributions from member states: i) paid on the basis of equal shares of all member states for a given percentage of overall budget, ii) determined on a proportional basis, taking into account the system of assessed contribution on the UN scale.</li> <li>4. Establish one funding organisation for global environment and sustainable development work that has the authority to allocate and track use of resources according to environmental needs across the UN system.</li> <li>5. Set and monitor and</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop a dedicated fund or facility to implement the Bali Strategic Plan.</li> <li>2. Establish country operational offices for environment in developing countries.</li> <li>3. Establish environment-development country teams and/or desk in existing intergovernmental offices in developing countries around the world.</li> <li>4. Establish regional committees of developing countries representatives with a plenary body providing technical expertise for integrated implementation for policy guidance, national level MEAs obligations, etc. Country representatives would bridge the gap between the regional offices and the national environment ministries within member states.</li> <li>5. Transfer the task of capacity-building, funding, and compensation functions of the international institutional system to an independent organisation that pays more attention to the special needs of international environmental policy.</li> <li>6. Develop an overarching framework for capacity</li> </ol>
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	support of the IEG regime.	linked to the environment within a common framework, under a single undertaking and under the authority of a single conference.	coordinating all environmental activities for the UN.	review a global standard committed percentage of GNP that each country would exercise nationally for environmental sustainability. Formula could be based on the investment in natural capital required to maintain national environmental sustainability.	building and technical assistance for the operational activities of MEAs, UN agencies and IFIs.  7. Establish a SS/NS technology transfer centre based on a clearing house system. The centre could also employ a CDM like mechanism that would enable countries to meet any MEA obligation by investing in a technology transfer project in developing countries.
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## ANNOTATIONS ON OPTIONS FOR BROADER REFORM

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

#### **1. Establish an intergovernmental body for governing the environmental science-policy interface.**

The environmental science-policy interface has expanded tremendously since 1972, amidst a growing awareness of the need to understand environmental change, its often inbuilt time-lags, and the need to know what causes the environment to change and how these changes impact on human well-being. The interface includes many institutional data and assessment mechanisms; several intergovernmental advisory bodies; and some intergovernmental assessments. Most of the world's expertise and institutional capacity for acquisition of environmental information (research, modelling, monitoring and observations), assessments and information exchange is found in developed countries and countries with emerging economies. There is a need to enhance this capacity in developing countries.

An intergovernmental body comprised of the best available national and international expertise in the field could be established to govern the further development of the science-policy interface. Such a body would meet regularly and could inter alia be mandated to:

- Promote increased understanding of how the management of risks – such as climate change and degradation of ecosystem services – and opportunities – such as use of ecosystem services – can be mainstreamed into economic and social processes;
- Set out the strategic directions and targets for the further development of the science-policy interface on understanding the interaction between society and environment and in particular how environmental change may impact human well-being;
- Give guidance to bodies and initiatives which are active in the interface; and
- Agree on investment needs and approaches to strengthen the interface in particular in the area of capacity building, information infrastructure investments, networking and strengthening the interoperability and availability of data and information.

The body could be established as a subsidiary body under the UNEP Governing Council which is already mandated to “keep under review the world environmental situation” and “promote the contribution of the relevant international scientific and other professional communities to the acquisition, assessment and exchange of environmental knowledge and information”. A process for the establishment of the body could build on the outcome from the consultation on strengthening the scientific base of UNEP<sup>2</sup>.

#### **2. Create an intergovernmental and scientifically credible assessment process for environmental change.**

Assessments analyse data and information stemming from research, modelling, monitoring and observations. At the international level a whole host of assessments with different scope and processes have evolved over the last two decades—with the Intergovernmental Panel on Climate Change (IPCC) being the most prominent<sup>3</sup>.

The establishment of an Intergovernmental Panel on Global Environmental Change has been discussed in the past. The proposal was not agreed and a consultation on how to strengthen the scientific base of UNEP was initiated instead. It yielded a mapping of what was seen as an overcrowded assessment landscape<sup>4</sup>. It also initiated a process to further evolve the GEO process into a more rigorous scientific and expert-driven process with ad-hoc elements of intergovernmental oversight and endorsement. The twenty-fifth session of the Council initiated a fifth GEO for which governments have recently agreed to establish an intergovernmental high level advisory panel with regionally balanced representation.

These developments could be further evolved into a fully fledged intergovernmentally governed assessment process designed to be legitimate, policy relevant and scientifically credible. The process could be governed by an intergovernmental panel similar in structure and procedures to that of the IPCC. The panel would oversee the preparation of a multi-scaled assessment process which would prepare recurrent global and sub-global assessments needed for keeping the impact of environmental change on human well-being under review. The

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<sup>2</sup> It engaged more than 100 Governments and 50 partners in written submissions and face-to-face dialogue for documentation and outcome see <http://science.unep.org>.

<sup>3</sup> IPCC was established in 1988 by the governing bodies of WMO and UNEP and is served by a joint secretariat provided by the two organisations. Financed by members of the panel and in-kind contributions from member states, it mobilises national and independent expertise and follows an elaborate process which includes peer review and procedures for intergovernmental oversight and endorsement of the final reports.

<sup>4</sup> See UNEP/GC.25/inf/12 and UNEP/GC.25/inf/12/Add.1

panel could give broad guidance to existing assessments such as IPCC and the potential marine assessment or the proposed intergovernmental science-policy platform on biodiversity and ecosystem services (IPBES), both of which are currently under discussion. The panel could help sequence and nest existing assessments, help avoid redundancies and fill gaps. The Panel could serve as a subsidiary of the body proposed under option 1.

### **3. Create a multi-scaled and multi-thematic global information network and “live” platform and establish an interagency cooperation body on environmental information and knowledge management in the UN system.**

The efforts by the Governing Council of UNEP for keeping the environment under review has been ongoing for some time. A core component was a Global Environment Monitoring System (GEMS)<sup>5</sup>. Increasingly the overall coordination and architectural development of global observing systems<sup>6</sup> takes place under the auspices of the Group on Earth Observations<sup>7</sup>.

Another core component was an environmental referral and information exchange system, later called INFOTERRA. The system was brought close to hibernation just when information and communication technologies developments started to revolutionise the exchange of information. This revolution facilitated the growth of national and regional environmental information networks and systems such as in Africa<sup>8</sup>, the EU<sup>9</sup>, the United States of America<sup>10</sup> as well as other federal States, such as Australia,<sup>11</sup> Brazil<sup>12</sup> and India<sup>13</sup>.

These national and regional networks could, together with the observing systems, constitute the basis for the recreation of a multi-scaled, multi-thematic and decentralized global information network of information on the impact of environmental change on human well-being. The network would help sustain capacity-building as amongst others identified in the Bali Strategic Plan, promote twinning arrangements, help bridge scales, facilitate harmonisation of data and help aggregation and disaggregation of data.

The network could be supported by a web-based platform for sharing of up-to-date (“live”), coherent and quality assured priority data and information, indicators, early warning and alert services<sup>14</sup>. The network and “live” platform could also be supported by a reinvigoration of the UN system-wide interagency cooperation node for environmental information and knowledge management. The node could be included in the portfolio of the Environmental Management Group. Both the network and the “live” platform could be governed by the body proposed in option 1, possibly through subsidiaries of that body.

### **4. Establish an independent environmental research institute.**

A number of UN system entities are involved in environmental research and modelling. The United Nations University (UNU) has, for example, a research and capacity-building programme on environment and sustainable development (ESD)<sup>15</sup>. The United Nations Educational, Scientific and Cultural Organisation (UNESCO) has its Natural Science Sector employing about 200 staff members<sup>16</sup>. Its Man and Biosphere Programme was launched in 1970 and now contains a network of more than 450 sites which serves, amongst others, as a foundation for conducting research and promoting earth sciences and earth system monitoring.

A prominent example of the UN systems facilitation of research programmes is the World Climate Research Programme (WCRP), which was established in 1980, under the joint sponsorship of the World Meteorological Organization (WMO) and the International Council for Science (ICSU). Since 1993, WCRP has also been sponsored by the Intergovernmental Oceanographic Commission (IOC) of UNESCO. The Executive Director of

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<sup>5</sup> GEMS/Water is still a UNEP programme, which since 1978, has been hosted at Environment Canada's National Water Research Institute.

<sup>6</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>7</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>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/~cnia/sinima.htm>.

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

<sup>14</sup> One example is the work by UNESCO IOC on the establishment of a tsunami early warning system and the WMO a Global Framework for Climate Services interfaces [http://www.wmo.int/wcc3/page\\_en.php](http://www.wmo.int/wcc3/page_en.php)

<sup>15</sup> <http://www.unu.edu/esd/index.html>

<sup>16</sup> [http://portal.unesco.org/science/en/ev.php-URL\\_ID=5805&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/science/en/ev.php-URL_ID=5805&URL_DO=DO_TOPIC&URL_SECTION=201.html)

UNEP is currently considering a similar but complementary initiative together with the communities involved in research on impacts of, vulnerabilities and adaptation to climate change.

These efforts could be brought together under an independent research institute for development and coordination of research at the international level in support of the IEG regime. The institute could also network regional and national research institutes and be linked to the body proposed in option 1.

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

### **1. Create a standard setting body that would set minimum global standards on global environmental issues and regional standards for regional based environmental issues. Standards would be based on agreed science and guided by the precautionary approach. The body would have a capacity development and technical assistance arm to assist developing achieve standards.**

Many international issues are governed by international standards rather than treaties or conventions. Standards set the minimally agreed levels in which countries follow at the national level. Countries are normally free to apply higher standards if they wish, but such deviations generally must be justified on scientific evidence and set in a way that will not discriminate or undermine the internationally agreed standard. Standards provide certain flexibility to apply regional contexts and to focus on regional problems, for example the WHO allows flexibility to each country of how to achieve the standards compared to treaties which often prescribe the area of cooperation but also how to achieve cooperation. Similarly, the International Labour Organisation (ILO) adopts standards that are collectively known as the International Labour Code. Compliance and enforcement of standards is done through monitoring and review mechanisms. Standards are largely self-executing and do not require ratification as they establish a platform from which national law may evolve, and to promote the improvement of law and practice at the national level.

Based on scientifically agreed standards, a new body would set environmental standards for key areas of environmental sustainability. The focus of the standards would be principally focused on environmental issues that require international cooperation to be solved. The standards could be both qualitative and quantitative which would allow countries to have a clear target for national action. Implementing and meeting the standards nationally would become the main focus of the capacity building arm of the body.

### **2. Establish an intergovernmental review mechanism for reviewing the national implementation of MEAs and other international environmental obligations.**

Most international regimes on labour, human rights, and international trade have agreed ways of measuring the effectiveness of the implementation of agreements in their relative issue areas. However, very few MEAs have such comparable systems of measurement and there is no system-wide mechanism to keep track of how, in totality, MEAs are contributing collectively to environmental protection and sustainability. UNEP was, in 1972, mandated to keep the implementation of environmental programmes within the United Nations system under review and to assess their effectiveness, but no clear mechanism for doing so has been put in place. Without a clearer understanding of the level and effectiveness of implementation, there is no baseline for improving performance. Questions that remain unanswered include: are the MEAs themselves weak and need refocusing and strengthening? What are the gaps at the national level, what can be done to strengthen implementation and what are the needs for focused capacity building and international assistance? Are there opportunities for greater synergies between the MEAs? What are the overall costs of inactions?

Most review mechanisms require that each country conduct its own assessment of implementation of international commitments and then each are reviewed by an intergovernmental committee or panel of experts. Several international review mechanisms have been in place since the inception of the agreements of the regime such as the ILO that has had a review system for all of its treaties since it was first established, while other international organizations have developed such systems after longer periods of developing international mechanisms. For example when the Human Rights Council was established it agreed on a requirement to review how all the various international human rights instruments were collectively contributing to human rights protection. As a result a universal review mechanism was established that reports collectively on the implementation of human rights instruments.

Based on the experience of existing review systems in other areas of international law and policy, a universal review system would be established for measuring implementation of MEAs at the national level. Reviews would be done periodically on clusters of MEAs in order to both see the implementation levels of single agreements and their collective impact and progress. National reports of implementation would be reviewed by an

intergovernmental process and international assistance and enabling activities would focus on implementation gaps.

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

An international organization would be established under Article 58 of the UN Charter. The organization could be directly linked to the United Nations General Assembly through an establishment agreement establishing the role and mandate of the organization including for setting the global environmental agenda, guiding environmental programmes and entities in the United Nations system and in contributing to the sustainable development agenda. The body would have universal membership for several reasons. In order to have the strongest influence over international law and law-making the body would need to have all countries involved. It would also need to have universal membership to manage global policy setting for the environment that has become crowded and decentralized. There is no one central authority on policy making but rather policy lies in a federation of MEAs, multilateral organisations and international programmes and funds that often have overlapping and competing mandates. To merely declare itself a global environmental voice will not give it the recognised legitimacy and authority to influence other environmental bodies, especially if such a body is not universal and only partly representative of the constituency of other bodies. In order for a global policy to have authority it must be legitimately representative of all concerned. Ownership is also an important part of maintaining authority, if issues are decided with the participation of more countries in the decision making then there is more likelihood that those countries feel more ownership of the issues. Furthermore, many environmental problems, such as climate change, biodiversity loss, etc. are experienced universally. Each country is directly concerned by these global challenges. Therefore a global voice for the environment and review of environmental matters should also be universal.

Core principles would be placed as a critical part of the organisation. Much like the principles on elimination of discrimination in the work place, freedom of association and abolishment of forced labour guide the work of the ILO. The core environmental principles that have been built up over the last three and a half decades of environmental development such as common but differentiated responsibility, polluter pays and precautionary approach, and sustainable development could form the core constitution of the new organisation (see also option 5).

### **4. Link global environmental policy making with global environmental financing.**

Global funds for the environment are currently found in various organisations, agencies and funding mechanisms, each with independent boards and governing systems. There is no central method of directing funds, recommending priorities and ensuring interlinkages between the areas which the funds individually finance. There are also very high transaction costs associated with multiple methods of accessing, monitoring, and managing funds. A more coherent global financing system would therefore have several added advantages compared to the current arrangements. There are various ways links could be made between existing funds without creating a 'super' fund or a single fund. This could include linking funding more closely to global policy making in which case it might mean connecting financing to a global authoritative voice as described in the first option above or an intergovernmental coordination council as described below. The goal would not be to control and manage the funding necessarily but to align global financing with global environmental decision making.

### **5. Develop a general agreement for environmental sustainability that would integrate different international institutions linked to the environment within a common framework, under a single undertaking and under the authority of a single conference.**

A defining characteristic of the IEG system is the prominent role played by the MEAs and their orientation towards sustainable development. Several of the MEAs - in particular the three Rio Conventions, i.e. the UNFCCC, the CBD and UNCCD – address the impact of environmental change on human well being, development and equity considerations in a manner that balances different interests and concerns among countries. The legal IEG regime is however - unlike for instance the legal trade regime – not gathered under one general agreement and is therefore not being governed as such.

This was already recognized by the Brundtland Commission (1987), which stressed the need, in building on existing declarations, conventions and resolutions, to consolidate and extend relevant legal principles on environmental protection and sustainable development<sup>17</sup>. It observed that the lack of wider agreement on basic

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<sup>17</sup> Our common future, The world commission on environment and development (1987), page 332 - 333

rules for interstate behaviour “undermines both national sovereignty and the economic development potential of each and all states”. It recommended that “the General Assembly commit itself to preparing a universal Declaration and later a Convention on environmental protection and sustainable development”. While the first element of the recommendation saw the light of day in the form of the Rio Declaration on Environment and Development, the idea of a universal convention did not materialize.

The negotiation of a general agreement for environmental sustainability could agree on a coherent set of norms in the form of objectives, scope, principles, and general rights and obligations for intergovernmental cooperation to address the impact of environmental change on human well-being. The agreement would bring general norm-setting under the authority of a single conference, leaving specific norms to existing agreements and institutions. The conference could be given the same legal standing as the COPs of the MEAs and relate to them based on two key principles in international law: 1) a specific agreement takes precedence over a general agreement; and 2) a more recent agreement takes precedence over an older agreement. A general agreement would therefore take precedence over the more specific existing MEAs on general issues without interfering with the specifics of those treaties or require any renegotiation of them.

The general agreement could be equipped with a number of clauses - if needed they could be enabling clauses - for pursuing unresolved aspects of crosscutting matters which are currently being dealt with by each MEA in isolation. Such clauses could for instance include science, capacity building, technology transfer, financial mechanisms, review of implementation, reporting, enforcement and compliance, conflict resolution, dispute settlement (including trans-boundary disputes related to environmental resources), and liability and compensation. Finally, the agreement could also set out the institutional elements needed to support its implementation with due attention to the need to promote greater effectiveness and efficiency among existing institutions. An agreed normative foundation could make it easier also to reach agreement on the institutional architecture.

### **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 MEAs 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.**

Clustering of MEAs common functions is meant to provide a means for addressing the ‘fragmentation’ by strengthening the governance of and programmatic and administrative support for MEAs through identifying measures to promote enhanced coordination, coherence and synergies between MEAs and contribute towards a more integrated approach to IEG and management at national, regional and international levels. Problems identified in this respect include in particular: an increasing potential for double-work and conflict between different MEAs; a growing demand for co-ordination; and the amount of resources required from countries and other actors for effective participation in the system.

There are many small MEAs and conventions that have not been implemented or that have been superseded by newer MEAs and integration makes a great deal of sense from a financial savings and coherence point of view. On the other hand there are large conventions such as the UNFCCC that are already working well and would be very hard to cluster. However, instigating real coordination with the conventions such as UNFCCC and others has been very difficult, and it currently has no legal responsibility to coordinate with other programmes and very much views itself as independent. The clarity of the role of coordination as described above would ensure that conventions such as the UNFCCC continue to work independently but critical issues where climate change interacts with major other MEAs and conventions are properly addressed.

Already taking steps in this direction, the simultaneous extraordinary Conferences of the Parties (ExCOPs) to the Basel, Rotterdam and Stockholm Conventions, held on 22-24 February 2010 in Bali, Indonesia adopted an omnibus synergies decision on joint services, joint activities, and synchronisation of the budget cycles, joint audits, joint managerial functions, and review arrangements. The biodiversity-related conventions are often cited as other MEAs that could be clustered.

Efficiency gains can be expected from coordination of common tasks performed by MEAs in their specific subject matters, without affecting the current functions and status of the MEAs Secretariats and 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 assessment of MEA national reports, and support to national integrated MEA implementation.

The mechanism would not usurp the functions of MEAs secretariats. The everyday running of existing environmental regimes could be left in their hands; but it would provide the infrastructure for necessary networking between existing secretariats. Support of the MEAs could be done by a decision of the Conference of the Parties of the MEA, thus eliminating the need to renegotiate the text of pre-existing MEAs.

**2. Create a member driven 'coordination council' composed of a representative group of countries, not secretariats, to ensure the legal authority, hierarchy and a power base to evoke cooperation amongst the MEAs that have their individual conference of the parties. In order to address the diverse issues of the MEAs, the Council could have committees based on MEAs clusters.**

Currently, the approach to coordination is piecemeal. There is the Environmental Management Group, the Liaison Group for Biodiversity Related Conventions, and the Liaison Group for the Rio Conventions and others. These are toothless, information sharing mechanisms and their function could be better served by coordination at more strategic levels of decision making. Furthermore, they are only partially representative of the coordination areas that are required. In place of these mechanisms a 'Coordination Council' could be created, with a membership composed of a representative group of countries, not secretariats.

The Council would be both a member-driven body and a subsidiary organ of the GA and would report directly to the GA. This would ensure that it has the legal authority, hierarchy and a solid power base from which to evoke cooperation amongst the MEAs. In order to address the diverse issues of the MEAs, the Council could have committees based on MEAs clusters. Various options for clustering by issue have been proposed e.g. conservation, global atmosphere, hazardous substances, marine environment, and extractive resources (von Moltke); or (1) sustainable development conventions; (2) biodiversity related conventions; (3) chemicals and hazardous wastes conventions; and (4) regional seas conventions and related agreements (UNEP). The concept would be to create broad categories in which coordination committees could benefit the most from working together.

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

When UNEP was established, one of its core functions was coordinating the activities of other UN agencies. Resolution 2997 formally instituted not only UNEP but also the Environment Coordination Board, intended as a coordinating committee chaired by the head of UNEP, "to provide general policy guidance for the direction and coordinating of environmental programmes within the United Nations system". The Board's supervisory body dismantled it in a 1978 attempt to streamline communications, and was replaced by a series of improvised committees which were never able to fulfil the original purpose of the Board.

However, with the increasing number of treaties and organisations responsible for their administration, coordination of overlapping efforts has become a critical issue for effective functioning of the IEG system. A system-wide medium term strategy, with a clear and coherent institutional vision for priorities and taking action, could reduce overlap of work mandates and lack of focus of organisations and activities dealing with environmental problems.

This measure was also recommended by the Joint Inspection Unit in its 2008 report.

**d) Securing sufficient, predictable and coherent funding.**

**1. Widen donor base, e.g. establish mechanism for receipt of private/philanthropic donations**

A key component of meeting the increasing demands for funding of 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 from contributions. 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.

A successful model of innovative financing has been developed for the health sector through the establishment of new global partnerships— the GAVI Alliance in 2000; the Global Fund for AIDS, Tuberculosis, and Malaria in 2002; UNITAID in 2006. The GAVI alliance of developing country governments, donor governments, the vaccine industry, multilateral and bilateral agencies, the Bill and Melinda Gates Foundation, WHO and UNICEF, civil society and private individuals has resulted in reliable sources of funding.

Two innovative financing mechanisms, both launched in 2006, are the Air Ticket Solidarity Levy to fund UNITAID (a central purchasing body for the procurement of drugs for AIDS, tuberculosis and malaria) and the International Finance Facility for Immunisation (IFFIm) – a pilot international finance facility established to fund the immunisation programmes of GAVI. These 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 totalling approximately \$5.5 billion over 20 years.

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.

**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.**

The dispersion of the existing financial mechanisms—spread across the GEF, UNDP, World Bank, 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.

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.

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 and could still 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.

**3. Provide budget with both assessed contributions from member states: i) paid on the basis of equal shares of all member states for a given percentage of overall budget, ii) determined on a proportional basis, taking into account the system of assessed contribution on the UN scale.**

Member States would have a legal obligation to pay an agreed contribution. A possible starting point in developing such a system could be guided by the UN scale of assessment, which is based on a year average of the member state's Gross National Income (GNI) and takes into account the per-capita income and indebtedness of the nation. A ceiling and floor for contributions would be set (current ceiling for contributions to the UN regular budget is 22% and the lowest rate is 0.001%).

Another option is to follow the model of the specialised agencies. The budget contributions of specialised agencies are generally not directly linked to the UN budget, thereby giving the agencies the ability to differ from the UN assessment scale. Although Article 17.3 of the UN Charter foresees that the General Assembly "examines the administrative budgets of specialised agencies with a view to making recommendations to the agencies concerned," it is general practice that the budget of specialised agencies is in principle independent from the UN budget. Consequently, calculation of mandatory contributions is based on various formulae, although many UN specialised agencies base their contributions on the UN scale for the regular budget.

Although the exact share of assessed contribution would be subject to negotiations, it is intended that expenditures would primarily be borne by assessed contributions and be less dependent on voluntary and earmarked funding and therefore more predictable and stable.

**4. Establish one funding organisation for global environment and sustainable development work that has the authority to allocate and track use of resources according to environmental needs across the UN system.**

Similar to option 2) to but would require centralising the currently disparate sources of funding and channelling them through one entity that has the authority to allocate funding for environmental activities. This can be done moving the tasks of overseeing financial assistance for global environmental policies to an independent body that is specially designed to balance potentially competing international agendas for environment and development—including concentrating the funds devoted to specific MEAs in the hands of one single entity. This would require the development of a more integrated policy approach that builds on the inter-linkages that exist between different environment and development concerns.

**5. Set, monitor and review a global standard committed percentage of GNP that each country would exercise nationally for environmental sustainability. Formula could be based on the investment in natural capital required to maintain national environmental sustainability.**

This would entail developing an institutionalised flow of resources, not linked to national treasury decisions, but operating at a global level and administered by a designated authority. This could ensure an automatic, scalable, additional and predictable financial flow. The funds generated would revert back to the country making the commitment and would go towards implementation of environmental goals and objectives that have been agreed at the global level. This would ensure that a steady source of income is being directed towards environmental activities in identified priority areas.

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

**1. Develop a dedicated fund or facility to implement the Bali Strategic Plan**

Capacity building and technology transfer are generally vital elements for the effective and sustainable implementation of any environmental activities. In response to developing countries request they have been encapsulated in the Bali Strategic Plan (BSP) and adopted by the UNEP Governing Council. The BSP has since become a vital policy instrument, required to be mainstreamed into UNEP's Programme of Work and recommended for consideration by the UN General Assembly as a system-wide instrument. The General Assembly in resolution 63/220 of 2 December 2009 invited the UN system to mainstream the plan into their overall activities.

Where capacity building and technology transfer are not the main objective of a programme or project they are generally not factored into the programme or project budget. This often leads to the neglect of capacity building and technology transfer within a programme or project. A dedicated fund or facility to implement the BSP could help overcome this challenge.

A mechanism could be established that would cover the incremental costs, arising in programmes or projects for the capacity building and/or technology transfer component to make a programme or project sustainable. Various sourcing options can be envisaged: The fund or facility could be sourced from voluntary contributions from governments or private donors. In addition, donors could be required to pay a certain percentage for each donation made to other environmental trust funds into the BSP fund or facility. Furthermore, specific thematic areas could be sourced through financing mechanisms in related areas. For example, capacity building in the area of adaptation or mitigation could be financed through emission or carbon markets; those in the area of biodiversity, through mechanisms related to benefit-sharing for access to genetic resources; those in the area of chemicals and waste, through innovative mechanisms related to chemicals and waste management.

**2. Establish country operational offices for environment in developing countries.**

Current arrangements within the environmental field focus on the formulation of global and regional environmental policies. The lack of country offices means that national responsiveness is currently limited and

mainly based on the cooperation between agencies, with the one providing the operational support for the one guiding in policy.

The establishment of operational offices at country level could occur either within the UNDAF/CCT framework or upon request for a secondment of an officer from an international organisation by a government. The establishment of offices or the granting of a secondment of an officer from an organisation to a country should occur in proportion to the environmental challenges/opportunities of the country at hand, based on a prior assessment of its needs. It could be for supporting the establishment of general, basic environmental services/infrastructure or for a specific programme or project, including to support the implementation of MEA commitments or expert advice on a specific topic.

Arrangements could be flexible to allow a maximum degree of responsiveness, ranging from support for the life-time of certain activities, projects or programmes to long-term support for institution and capacity building. Country office support could help countries overcome the fragmentation of the institutional and legal system by providing a hub of expertise and advice. Where long-term support is provided, country offices could fulfil liaison services between the country and relevant organisations.

In either case, whether short-term technical advice is provided or long-term structural support, provisions would have to be made for capacity building to ensure that the offices' role could be taken over by the country itself within a specified period. Conferring national ownership of the programme unto the government would be of the highest priority.

It would be crucial that the environmental advice provided would be firmly embedded in poverty reduction strategies, economic and social development policies and national development action plans to enable sustainable development.

Innovative financing solutions could be applied, including the secondment of officers as 'in-kind' contribution from donors but facilitated by an intergovernmental organisation.

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

See above with the caveat of the support team operating as desk support from resident or regional organisations.

### **4. Establish regional committees of developing countries representatives with a plenary body providing technical expertise for integrated implementation for policy guidance, national level MEA obligations, etc. Country representatives would bridge the gap between the regional offices and the national environment ministries within member states.**

The current institutional set up of environmental bodies lacks the capacity for providing continuous country assistance. One measure to overcome this challenge, while avoiding the costs of establishing a permanent country presence, would be to set up regional committees. These regional committees would comprise of developing country representatives from relevant ministries, convening regularly and receiving training by experts in different thematic topics.

The topics would be chosen prior to their training sessions. The benefits of such a regional approach for capacity building and facilitating technical expertise would not just be its cost effectiveness but also the opportunities for sharing knowledge and exchanging experiences. Regional affinity could imply that countries face similar challenges and opportunities and thus look for similar solutions. Case studies of individual countries could illustrate specific circumstances. The regional committees could jointly work out solutions.

The establishment of regional committees would also foster the forming of support networks among country representatives with the potential to lead to regional and transboundary initiatives. Hence there would be a double effect of supporting national capacity building and at the same time enhancing cooperation among regional communities.

The regional capacity building workshops and expert meetings could support the work of regional bodies such as the African Ministerial Conference on the Environment.

## **5. Transfer the task of capacity-building, funding, and compensation functions of the international institutional system to an independent organisation that pays more attention to the special needs of international environmental policy.**

Funding and the capacity to implement are at the heart for the implementation of legal agreements and policy. A large number of MEAs and policies exist that require funding as well as the building of institutional and human capacity to enable parties to implement their commitments. While the will is usually there, the resources are missing or so dispersed that countries face difficulties in bringing the necessary components for implementation together. By conferring upon one independent organisation the task to fund and build capacity of countries for implementation, this challenge could be met.

Where one single organisation would be charged with administering and disbursing funds for the implementation of all environmental activities this could occur in a more efficient and effective manner than is currently applied. Through a trust fund donors would contribute to a pool of funds to support countries in implementing their commitments under any MEA. The advantage of such a pooling of resources would be that greater prioritising, in terms of where funds are mostly needed, could take place. This would mean that funds could be allocated to the most pressing environmental issue, both from a thematic as well as geographical point of view.

Such an approach would also enable capturing of synergies, in particular among MEA clusters. For example, a more integrated approach to the implementation of chemicals and waste conventions or the biodiversity conventions could be taken. Overhead costs would be reduced and resources freed up for implementation.

At the same time, the organisation would ensure that capacity building would be provided as and when necessary, in alignment with the funds. This would ensure that the resources can be utilised in the most effective manner, providing for the sustainability of interventions.

## **6. 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 IFIs.

This framework could be a succinct and practically oriented policy framework, adopted by an intergovernmental body for the duration of four-year cycles with a multi-stakeholder partnership, along the lines of the Strategic Approach to International Chemicals Management (SAICM), and to be reviewed regularly. Its overarching goal would be to mainstream capacity building and technical assistance while its immediate objectives would be to:

- 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.

It could be served by a small secretariat, which would facilitate the implementation of the above objectives. The Secretariat would act as a resource centre and clearing house, maintaining a knowledgebase 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.

**7. Establish a SS/NS technology transfer centre based on a clearing house system. Centre could also employ a CDM like mechanism that would enable countries to meet any MEA obligation by investing in a technology transfer project in developing countries.**

Such a centre could deal with all aspects of technology transfer, including technology needs and needs assessments; technology information; enabling environments; capacity-building; and mechanisms for technology transfer. An Expert Group on technology transfer could oversee the clearinghouse mechanism and continuously review its work and explore ways for improvement. The Expert Group would also collaborate closely with MEAs Secretariats to ensure that its work underscores the implementation of MEAs.

Based on country assessments carried out by the centre in collaboration with countries concerned, the priority technology needs could be identified and analysed. This would also occur in close relationship with MEAs to ensure that technology transfers support their needs to fulfill commitments countries face under the MEAs they have ratified.

The various stakeholders, including governments, relevant international organizations, NGOs and the private sector could be brought together to maximize synergies. The centre would enable exchange of information on technical parameters and economic and environmental aspects of technologies between governments, scientists and the private sector.

Governments would be advised on creating enabling environments for the technology transfer by reducing and eliminating barriers to the transfer at all stages.

Financing tools through existing mechanisms would be extended to provide financial resources on a grant or concessional basis, underpinned by new and innovative mechanisms, including market based mechanisms. Public-private partnerships could be formed under the guidance of established instruments to ensure compliance with intellectual property rights, investment and trade rules.

An inventory of sound environmental technologies, including their technical and economic parameters as well as a projects database could be created to facilitate transparent knowledge exchange and project information.