

Comprehensive UN Environment Reform: Recommendations for the High Level Panel on System-Wide Coherence and the UNGA Consultations on Environment

Informal consultations of the plenary on environment
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EXECUTIVE SUMMARY OF RECOMMENDATIONS

Both the High Level Panel on System Wide Coherence and the UN General Assembly consultations on environment are exploring ways to improve the operational and normative performance of the international environmental governance system. IUCN offers a framework of six principal functions of international environmental governance, with specific recommendations to enhance each function.

Mainstreaming:

- Mainstream environmental sustainability into all national poverty reduction and development strategies and donor frameworks.
- Develop comprehensive, UN-system wide social and environmental safeguard and mainstreaming policies to apply to all UN operational agencies.

Coordination:

- Strengthen the coordination role of UNEP as the lead agency on the environment in the UN system through a more focused and longer term plan of action.
- Restructure the UN's inter-agency coordination mechanisms to better integrate environment and development by merging the Environmental Management Group and the UN Development Group.
- Enhance coordination between the UN bodies and environmental treaties around specific issues or clusters, following the successful experience with chemicals.
- Ensure effective technical support on the field of environment to UN operations, rather than establish UNEP operational capacity.

Science:

- Strengthen UNEP's role as a convener and catalyst of authoritative knowledge and science on environmental issues at global level.

Capacity:

Implement the Bali Strategic Plan for Technology Support and Capacity-building with adequate resources and with the coordinated participation of relevant UN agencies.

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Finance:

- Enhance the availability and effectiveness of funding for environmental activities throughout the UN system.
- Further strengthen existing development assistance for environmental funding.

Policy:

- Integrate the Commission on Sustainable Development into ECOSOC's deliberations on development and the follow up to UN Conferences and Summits.
- Strengthen the UNEP Governing Council / Global Ministerial Environment Forum as the unique venue for environment ministers to meet and provide guidance
- Facilitate streamlining of MEA reporting requirements and scientific assessment needs
- Rationalize the meetings of MEAs and subsidiary bodies

INTRODUCTION

The UN is currently undertaking two inter-related reform processes that are examining the effectiveness and efficiency of international environmental governance. These are the Secretary-General's High-Level Panel on System-Wide Coherence (SWC) and the UN General Assembly's (UNGA) consultations on environment. Both processes find their origins in paragraph 169 of the 2005 World Summit Outcome Document. The former process is looking at ways to improve the effectiveness and efficiency of the UN operational activities in the humanitarian, development and environmental fields. The panel also includes two specific items related to the environment in its terms of reference: a) in the normative area, a full assessment of how the UN can best provide more comprehensive and coherent management and monitoring of MEAs (including the development of stronger scientific and analytical capacity in monitoring, assessing and reporting on environmental trends and b) the need to better integration of the environmental perspective with the broad principle of sustainable development in UN country-level activities, in particular capacity building and technology support. The latter process is looking specifically at the processes and structures within the environmental field. From a sustainable development perspective, these processes can be seen as complimentary – one looking at how to strengthen the environmental pillar of sustainable development and the other

looking at how to improve the operational linkages between the three pillars. Thus, the two processes are closely linked and necessarily feed off one another. For that reason, IUCN is presenting a single position paper which addresses both processes in order to present a comprehensive and coherent set of recommendations.

IUCN's premise is that the ultimate goal of the international environmental governance (IEG) system should be to ensure that the environmental goods and services upon which human wellbeing and development depend are provided in a sustainable and equitable manner. The standard of measure of the utility of any set of proposed reforms and resulting arrangements should thus be the extent to which they succeed in mainstreaming environmental sustainability throughout their own operations and, most importantly, throughout those of other institutions. This premise is derived from the UN General Assembly decision declaring sustainable development to be part of the overarching framework of the UN's activities.

The biggest conceptual challenge that both processes face, then, is how to deal with the issue of environmental mainstreaming. In the case of the Panel, there is a danger of marginalizing environmental issues by focusing too narrowly on development and humanitarian issues and leaving environmental issues solely to the UNGA process. In the spirit of Rio, it is important to avoid seeing environment and development as a discordant relationship, but rather to stress the mutually reinforcing role of the two in achieving sustainable development. Also, IEG should not be constrained to the UNEP context but consider ways to improve IEG beyond the current institutions of the system. Both processes need to focus on the bigger picture of how to mainstream sustainability across other sectors. It is important in this context, to address the relationship with the Bretton Woods Institutions in the UNGA process and to expand the consideration of these institutions in the SWC process, beyond the development discussions. Both processes need to guard against any potential separation of environment and development issues and to address the very real potential that these processes offer to more fully mainstream sustainable development across all UN operational activities and all UN agencies and to improve coherence within and outside of the IEG regime.

It is also essential that these processes draw on the experience of civil society group both in terms of their thinking about ways to enhance the IEG

system but also in terms of their role as part of the system. The two processes are thus encouraged to reach out to civil society organizations more systematically.

In order to realize the full potential of these two processes to improve the performance of the international environmental governance system, IUCN offers a framework of six principal functions of international environmental governance with recommendations to enhance each function. From IUCN's perspective, the principal functions of the IEG system are:

- **MAINSTREAMING:** Mainstream environmental sustainability across the UN operational agencies and outside of environmental institutions.
- **COORDINATION:** Promote coordination of UN actors and agencies within the environmental regime including with Multilateral Environmental Agreement (MEAs).
- **SCIENCE:** Monitor environmental conditions and trends and making available synthesized and authoritative scientific knowledge for better decision making and policy formulation.
- **CAPACITY:** Build capacity in developing countries for the implementation of international commitments for environment and sustainable development.
- **FINANCE:** Mobilize new financial resources for sustainable development, including from the private sector.
- **POLICY:** Set environmental agendas and provide for environmental norm development and enhanced compliance.

1. MAINSTREAMING: Mainstream environmental sustainability across the UN operational agencies and outside of environmental institutions.

The record of mainstreaming environmental sustainability with the UN system is mixed at best. At the normative level, the UN Conference on Environment and Development established a model of sustainable development that was meant to ensure that all policies would seek to recognize, respect and balance social, environmental and economic benefits and costs. However, this paradigm has not been applied in intergovernmental and national policies and actions, including in the UN system. Instead, there are

indications that the discourse has evolved to essentially understand the term “sustainable development” to be synonymous with the term “environment” and to see it as a marginal issue within a larger development context. The clearest indication of this is the fact that the Millennium Development Goals of 2000, the UN Conference on Financing for Development and the “development round” of the WTO negotiations launched at Doha are about “development” and not “sustainable development”, despite the fact that several of these events took place within months of the World Summit on Sustainable Development. This conceptual confusion has also transpired in initial consultations of the High Level Panel with the UN General Assembly.

At the operational level, the track record of the UN agencies is also mixed and outside of the UN system, the track record is less encouraging. Analyses of poverty reduction strategies consistently demonstrate a lack of environmental mainstreaming, even in countries where the natural resource sector is a critical source of livelihoods for the extremely poor or where it plays a significant role in the overall macro economy. Bilateral funding has been increasingly directed to poverty alleviation but without due consideration of the contributions that investments in the environmental field have on sustainable livelihoods. The work of the Poverty-Environment Partnership is a notable exception in this regard.

Against this backdrop, far more effort is needed within the UN system to ensure that environmental sustainability is indeed mainstreamed across the full range of UN operational agencies. Providing the capacity and expertise to facilitate this kind of mainstreaming should be a principal function of UN agency for the environment. This does not mean, however, that a strong operational role is required. Rather, it means that the environmental institution needs to be able to add value to the work of other operational agencies such that they are able to internalize environmental considerations into their core business. IUCN recommends:

- *Mainstream environmental sustainability into all national poverty reduction and development strategies and donor frameworks, through technical advice and capacity support from the environmental agency of the UN to other organizations involved in the development and implementation of these strategies.*

- *Develop comprehensive, UN-system wide social and environmental safeguard and mainstreaming policies to apply to all UN operational agencies.* Multilateral development banks use safeguard policies to ensure that their operations “do no harm” to livelihoods and to the environment. Best practice among these institutions now also includes a set of proactive mainstreaming policies which are designed to ensure that even their non-environmental operations “do good” for livelihoods and the environment. This framework provides a model to integrate environmental activities across the UN system. Special consideration needs to be given to the need to ensure that these measures do not constraint, but rather support, sustainable development of developing countries.

2. COORDINATION: Promote coordination of UN actors and agencies within the environmental regime including with MEAs.

Promoting coordination among the variety of UN agencies that address environment issues, as well as the Bretton Woods institutions, is notoriously difficult. Despite the fact that this mandate was one of UNEP’s *raison d’être* when it was established in 1972, it has had a difficult time keeping up with the proliferation of multilateral environmental agreement and of institutions taking on environmental roles. In a sense, the system is a victim of the successes that have taken place in environmental treaty development and the expansion of environmental issues and linkages over the last 35 years. Indeed, international environmental law has been one of the most rapidly expanding and innovative areas of international law over the last few decades, so the basic architecture that was designed in the early 1970s needs to be updated to respond to the current context.

Besides the institutional arrangements, another area of continual discussion for coherence and consistency is the relationship among the various Multilateral Environmental Agreements (MEAs) and between them and UNEP. Hundreds of multilateral agreements touch on environmental issues, many of them negotiated since the establishment of UNEP. The proliferation of MEAs, some up which are administratively under UNEP’s umbrella, many of which are not, has resulted in fragmentation and incoherence in the IEG system. The issue now is how to more closely align these various regimes in order to improve their efficiency and effectiveness.

The burden on countries to participate in, monitor, report on, and implement the commitments of MEA can be staggering.

Proposals to consolidate treaties within an overarching legal framework have legal and political limitations. Instead, the IEG system should focus on the operational aspects of the conventions and look for opportunities where synergies can be found. There are promising recent examples, in the form of joint work programmes and joint strategic plans (e.g. the Strategic Approach to International Chemicals Management - SAICM) as well as the dual appointment of heads of related secretariats (e.g. Rotterdam and Stockholm conventions, again both related to chemicals), joint development of reporting and assessment processes (e.g. on forests under the Collaborative Partnership on Forests, led by FAO and the creation of platforms for coordination such as in the case of ocean’s governance with the UN open-ended Informal Consultative Process (UNICPOLOS)). These functional “clustering” processes, which focus on finding synergies at the programmatic and operational levels rather than at the level of legal commitments, have promise and should be further explored, with due consideration of transactions costs involved. IUCN recommends:

- *Strengthen the coordination role of UNEP as the lead agency on the environment in the UN system through a more focused and longer term plan of action.* UNEP also needs an adequate and predictable funding base. In the short term, governments should increase the use of the voluntary indicative scale of contributions and voluntary states should lengthen the period of time for their contributions.
- *Restructure the UN’s inter-agency coordination mechanisms to better integrate environment and development.* To promote better system-wide coordination and streamline coordination mechanisms, the Environmental Management Group (EMG) and the UN Development Group (UNDG) should be merged into a single coordination body, which could be known at the UN Sustainable Development Group, and which could be co-chaired by the UNDP Administrator and the UNEP Executive Director.

- *Enhance coordination between the UN bodies and environmental treaties around specific issues or clusters, following the successful experience with chemicals.* Issue-based clusters (for example, around biodiversity, chemicals, and marine sectors) should develop coordinated strategies and programmes of work. More synergistic operations could also be envisaged including co-location of the secretariats and dual appointment of heads of Secretariats as has recently been done with the Stockholm and Rotterdam conventions.
- *Ensure effective technical support on the field of environment to UN operations, rather than establish UNEP operational capacity.* We recommend that UNEP further develop its capacity at regional level in order to mainstream environment into UN country programmes, including through technical support to and partnerships with other UN operational agencies at the regional and country levels and presence of environmental expertise in country teams.

3. SCIENCE: Monitor environmental conditions and trends and make available synthesized and authoritative scientific knowledge for better decision making and policy formulation.

Credible environmental policy making rests on credible knowledge. Scientific monitoring, assessment and reporting functions have been part of UNEP's core mandate since its creation. UNEP itself participates or co-convenes the Intergovernmental Panel on Climate Change, the Ozone Assessment Panels, the Millennium Ecosystem Assessment, the Global Environmental Outlook report and the World Resources Report, as well as managing the World Conservation Monitoring Centre. Improving the scientific information base has been readily identified in several previous processes looking at IEG, most recently the Cartagena process. Moving forward from what has gone before requires the IEG system to clarify what type of information is needed so that the various scientific assessment processes can respond with policy-relevant information. The information needs to be relevant and user-friendly for policy-makers, and its dissemination needs to be linked to a policy process that can effectively respond to it. The ozone and climate change assessment processes, as well as the monitoring network for air pollution in Europe, are excellent models. A good departure point for further

development would be a clear articulation of what it would mean to achieve MDG7 on environmental sustainability, how to measure progress, and what policy options are available to get there. An effective and strategic GMEF has a clear role to play in this regard. It is also necessary to strengthen the capacity of the environmental agency of the UN in this regard

- *Strengthen UNEP's role as a convener and catalyst of authoritative knowledge and science on environmental issues at global level.* We recommend that this function be strengthened in the following areas: regular integrated assessments of status and trends on the basis of GEO and drawing on the experience of the Millennium Ecosystem Assessment; development of frameworks and indicators to measure progress, including in the context of the Millennium Development Goals; outreach to the broader scientific community to get up-to-date comprehensive data (e.g. in the case of biodiversity some of the best information on endangered species and protected areas is held by non-state actors such as IUCN); capacity building in monitoring and assessment in the context of the Bali plan; and enhanced cooperation among agreements and bodies with assessment functions in the issue-based clusters mentioned above (e.g. the Global Marine Assessment process).

4. CAPACITY: Build capacity in developing countries for the implementation of international commitments for environment and sustainable development.

An effective IEG system requires that all countries can implement international commitments in the context of their national conditions and priorities. It is clear that this requires effective support from the system to developing countries. The Bali Strategic Plan for Technology Support and Capacity Building provides a comprehensive framework that needs to be implemented as a matter of urgency. It is important to reflect on how this support is to be provided in an effective way, building on the comparative advantages of the different UN institutions while avoiding duplications. The environmental agency of the UN does not necessarily need to be present in all countries and could rather focus on facilitating environmental capacity development within UN operational agencies with field presence, especially the UN

Development Program (UNDP), consistent with a mainstreaming approach and with a restructured UN Resident Coordinator system. There is also a major role for the environmental agency to play in capacity development at the regional level, especially in the context of existing regional and sub-regional bodies, where UNEP's convening power, networking capacity and information sharing role is a major asset. This could also contribute to supporting regional agreements and processes which are critical in the IEG system. IUCN recommends:

- *Implement the Bali Strategic Plan for Technology Support and Capacity-building with adequate resources and with the coordinated participation of relevant UN agencies.* Investment and support is urgently needed to facilitate compliance and implementation of international commitments at country level. The Bali plan provides an agreed and comprehensive framework that could catalyze under a coordinated approach the efforts of the various UN organizations engaged in capacity building on the environmental field. Its implementation would require the reinforcement of UNEP's regional offices and technical advice to and partnerships with agencies with presence in the field, such as UNDP.

5. FINANCE: Mobilize new financial resources for sustainable development, including from the private sector.

A rough assessment of OECD data suggests that from 1-3% annually of ODA since Rio has gone specifically for environment and natural resource management. At the moment, the overall ODA window is increasing, but since most of the increase is driven by debt write-offs and reconstruction in post-conflict situations, the percentage of ODA for the environment is actually decreasing. The Global Environment Facility (GEF) has just had its fourth replenishment at a level of roughly \$3 billion, a 10% decrease in real terms relative to the previous replenishment. As the financial mechanism for select MEAs, even a full replenishment would still be woefully inadequate to meet the needs of the global environment. The task for the IEG regime, and the institutions that comprise it, is to continue to make the case that short term development gains will be undermined by long term environmental degradation and that only development that is sustainable will be effective.

Of course, ODA flows are not the only source of finance for the global environment. A variety of private sector mechanisms are developing which hold promise, such as debt or nature swaps, certification, payment for ecosystem services, the flexible mechanisms from Kyoto, etc. A small percentage of capital market investments in OECD countries, particularly from institutional investors, are screened by some kind of social and environmental criteria, but still very little in the overall scheme of private sector transactions for trade or investment. IUCN recommends:

- *Enhance the availability and effectiveness of funding for environmental activities throughout the UN system, in accordance with countries' needs and the guidance provided in international commitments such as the Johannesburg Plan of Implementation and the decisions of the governing bodies of MEAs.*
- *Further strengthen existing official aid channels for environmental funding.* Given the state of the world's environment, the current replenishment of the Global Environment Facility appears to be heading for a ten percent cut in real terms relative to previous replenishment. Far greater official funds are needed through the full range of official channels, including special funds like the GEF and the Montreal Protocol Fund, bilateral agencies' programmes, and lending from multilateral institutions.

6. POLICY: Set environmental agendas and provide for environmental norm development and enhanced compliance.

A final function of the international environmental governance system is to provide space for policy dialogue to enable environmental policy agenda setting and enhance national level implementation of international commitments. Each Conference of Parties (CoP) to each MEA and governing body of concerned specialized agencies provide such a forum within its specific treaty domain. UNEP's Governing Council, functioning as a Global Ministers of Environment Forum (GMEF), provides a more universal forum which could be the exclusive place where environmental ministers meet to review the whole IEG system as well as to develop those areas of IEG where UNEP has a unique value added, such as in the provision of

scientific knowledge and assessments. To differentiate the functions of the Commission on Sustainable Development (CSD), the latter could therefore be the place where environment ministers could conduct inter-ministerial dialogues in order to promote sustainable development and better mainstream environment across other sectors and institutions. To that end, the CSD could be rolled into an expanded and reformed ECOSOC session, whereby ECOSOC would become the “one stop shop” for policy discourse on sustainable development encompassing all three pillars – social, environment and economic. Further refinement is possible among the policy development, implementation and compliance procedures of the MEAs as well, to the extent that cooperation is facilitated through an issues-based clustering approach. IUCN recommends:

based cluster while simultaneously reducing the length of individual meetings.

- *Integrate Sustainable Development into ECOSOC's deliberations on development and the follow up to UN Conferences and Summits.* In the long term, the CSD could be merged into a segment of a reformed ECOSOC, with the high-level segment being a venue for environment, development and finance ministers to meet and dialogue. This would provide opportunities to engage other institutions, particularly the Bretton Woods institutions, in discussions on environmental sustainability.
- *Strengthen the UNEP Governing Council / Global Ministerial Environment Forum as the unique venue for environment ministers to meet amongst themselves to set a more coherent environment agenda, define norms, review compliance with multilateral environmental agreements, and explore ways to cluster and synergize MEAs.*
- *Facilitate streamlining of MEA reporting requirements and scientific assessment needs and make them implementation focused.* We recommend that reporting be harmonized under the work of the issue-based clusters mentioned above, and that MEAs be invited to report on their efforts for streamlining to the GC/GMEF to share lessons and best practice.
- *Rationalize the meetings of MEAs and subsidiary bodies by identifying opportunities to organize back-to-back meetings among treaties under an issue-*