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**ADDRESSING THE GAPS OF THE CURRENT
INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT:
THE ENVIRONMENT PILLAR**

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Executive Summary

On-going environmental degradation indicates that the current system of international environmental governance (IEG) is inadequate to support governments in preserving the environment for the social and economic well-being of their people. A number of basic challenges limit the effectiveness of the current IEG system: (1) lack of an authoritative voice to guide environmental policy effectively at the global level; (2) lack of coherence among global environmental policies and programmes; (3) weak science-policy interface for informed decision-making; (4) high degree of financial fragmentation; (5) irrationality of Multilateral Environmental Agreement (MEA) governance and administration; (6) lack of a central monitoring, review and accountability system for commitments made under MEAs; and (7) the implementation gap - insufficient response to countries' needs.

The Consultative Group of ministers or high-level representatives on international environmental governance, established by UNEP Governing Council decisions 25/4 and SSXI/1 identified a number of objectives and functions of an effective IEG system and posited five options for broader reform of international environmental governance. This paper focuses on the three options dealing strictly with UNEP and environmental governance, i.e. Enhancing UNEP, Establishing a specialised agency such as a world environment organization, and Enhancing institutional reforms and streamlining existing structures—spelling out, in increasing order of effectiveness, how the three institutional options would address the gaps in achieving the key objectives identified by the *Belgrade Process Set of options*.

Enhancing institutional reforms and streamlining existing structures would entail strengthening—without any changes to its legal setup—the existing functions of UNEP into a more efficient programme to better enable it to effectively fulfil its mandate under UN General Assembly resolution 2997 (XXVII) and the Nairobi Declaration on the Role and Mandate of UNEP (1997). Addressing the objectives and functions identified in the *Belgrade Process* through enhancing existing structures would be based on the system-wide responses considered in the Nairobi-Helsinki Outcome.

Enhancing UNEP would entail upgrading, through a General Assembly resolution, the functions of UNEP into a centralised, more authoritative and better-endowed international environmental organisation by making it a subsidiary body of the General Assembly that reports its decisions to it directly.

The option of establishing UNEP as a specialised agency (often referred to as World Environment Organisation), would be based on an independently negotiated treaty as its constitutional foundation. Like other specialised agencies, such as the International Labour Organisation (ILO) or World Health Organisation (WHO) it would closely cooperate with its sister UN agencies and the UN system at large.

The merits of the three options vary depending on the degree of ambition and the paper concludes by weighing the three options and presenting them in a comparison chart of the selected options for broader reform of IEG.

I. Introduction

The Consultative Group of ministers or high-level representatives on international environmental governance, established by UNEP Governing Council decisions 25/4 and SSXI/1 produced two outcome documents: The *Belgrade Process Set of options*, which lists five agreed key objectives of the international environmental governance system and their underlying functions (see Box 1), as well as the *Nairobi-Helsinki Outcome*, which was welcomed by the Second Meeting of the Preparatory Committee for the Rio+20 Conference in March 2011. The Outcome set out five options for the broader institutional reform of international environmental governance, namely:

- (a) Enhancing UNEP;
- (b) Establishing a new umbrella organization for sustainable development;
- (c) Establishing a specialised agency such as a world environment organization;
- (d) Reforming the United Nations Economic and Social Council and the United Nations Commission on Sustainable Development;
- (e) Enhancing institutional reforms and streamlining existing structures.

Over the course of the past six months, suggestions have been made by governments that UNEP focus on further developing the options dealing strictly with environmental governance, leaving the Rio+20 preparatory process to discuss the institutional framework for sustainable development at large. This analysis therefore focuses on three options, i.e. Enhancing UNEP, Establishing a specialised agency such as a world environment organization, and Enhancing institutional reforms and streamlining existing structures. In light of the transformative changes required to meet today's environmental challenges in the context of sustainable development; and in consideration of previous efforts made consisting of incremental reforms that did not result in real improvement, the aforementioned UNEP-related options are interpreted as being strong enough to bring about transformative change. Given the similarity in titles between the first and third options, Enhancing UNEP is interpreted as upgrading UNEP into an organisation through a GA resolution, whereas enhancing institutional reforms and streamlining existing structures is interpreted as strengthening existing structures without any changes to the legal setup of UNEP.

The intention of this paper is to describe, in increasing order of effectiveness, how, or to what extent, the three institutional reform options would address the gaps in achieving the key objectives identified by the *Belgrade Process Set of options*. The narrative is also captured in tabular form at the end of the paper.

Box 1: Belgrade Process key objectives and underlying functions

- 1. Creating a strong, credible and coherent science base.**
 - Data and information collection, exchange and analysis
 - Assessment, early warning and awareness raising
 - Cross-sectoral data collection and research
 - Science-policy interface
- 2. Developing a global authoritative and responsive voice for environmental sustainability.**
 - Global agenda setting and policy guidance
 - Rulemaking, standard setting and development of universal principles
 - Compliance, monitoring and accountability
 - Dispute avoidance and settlement
- 3. Achieving coherence within the UN system.**
 - Coordination of policies and programmes
 - Coherence among Multilateral Environmental Agreements (MEAs) and
 - rationalisation of MEA secretariat activities
- 4. Securing sufficient, predictable and coherent funding.**
 - Mobilising funds for the global environment
 - Development of innovative market-based financing mechanisms
 - Influencing priorities for financing environmental initiatives
 - Linking the public and private sector
- 5. Ensuring a responsive and cohesive approach to meeting country needs.**
 - Human and institutional capacity building
 - Technology transfer and financial support
 - Linking international and local levels
- 6. Facilitating the transition towards a global green economy.**
 - *The functions for objectives 1-5 will collectively contribute towards achieving the objective of facilitating the transition towards a global green economy, for example through assessment, policy guidance, rulemaking, mobilizing funds etc.*

II. Gaps in the current governance system

On-going environmental degradation indicates that the current system of international environmental governance (IEG) is inadequate to support governments in preserving the environment for the social and economic well-being of their constituents. A number of basic challenges limit the effectiveness of the existing IEG system:

1) Lack of an authoritative voice to guide environmental policy effectively at the global level

The most self-evident gap is the lack of a single authoritative and responsive voice for environmental sustainability at the international level. The system is fragmented, inefficient and characterized by a blurred division of labour and overlapping mandates. More than 40 UN agencies are dealing with aspects of environmental sustainability and multiple MEAs have been developed to govern various

aspects of environmental change. No single institution or authority exists to provide global leadership in galvanizing political will, providing coherent policy guidance, framing international responses along the lines of the Millennium Development Goals and providing a global monitoring and reporting framework. Moreover, countries do not receive the required support at the national level. Consequently, there are alarming gaps in commitment and action.

2) Lack of coherence among global environmental policies and programmes

The current hierarchy of environmental decision-making at the international level is incoherent—leading to fragmentation, inefficiencies, and overlap. At the same time, coordination and coherence are essential to the smooth functioning of an international environmental governance system in view of the interdependent and intersectoral nature of global environmental systems. The coordination of the international environmental governance system will have implications for the distribution of data and information throughout the system and for the integration of policy responses, and for the distribution of financial resources and the identification of country-driven priorities.

3) Weak science-policy interface for informed decision-making

The existing environmental knowledge infrastructure goes beyond UNEP and consists of a wide range of institutional components that support various stages in the interaction between science and policymaking. It spans the global, regional, national and local levels and involves many entities in the United Nations system. The evolution of the knowledge infrastructure needs to keep up with increasing environmental change and document how society interacts with the environment across geographic scales and boundaries, with particular attention to impacts in developing countries. A fundamental deficiency in the existing international science-policy infrastructure for environment is a prevalent lack of shared science, of common science and policy objectives, and of capacity in monitoring, data management, assessments and early warning systems—particularly in developing countries and regions.

4) High degree of financial fragmentation

Two issues arise when looking at the financing mechanisms within the environmental sector: its significant dispersion and its non-alignment with those institutions that are primarily mandated with environmental management. The majority of funds within the environmental sector are spread across the Global Environment Facility, the World Bank and UNDP, with lesser resources administered by other financial mechanisms, including the Multilateral Fund of the Montreal Protocol; several funds related to climate change adaptation and mitigation; the Strategic Approach to International Chemicals Management (SAICM); and the Basel Convention Technical Cooperation Trust Fund etc. All funds operate according to their own rules and regulations, are based in different locations, and have little to no coordination amongst each other. This lack of coordination among mechanisms results in the duplication of activities, higher operational costs and inefficient use of resources.

5) Irrationality of MEA governance and administration

Following a piecemeal approach to environmental management, today's IEG system consists of a plethora of MEAs, each dealing with individual environmental challenges. They are integral to establishing standards, guidelines, and policies for the stewardship of the global environment; but at the same time, the nature of their development has resulted in a complex and fragmented system with substantive and administrative overlaps.

6) Lack of a central monitoring, review and accountability system for commitments made under multilateral environmental agreements (MEAs)

Contrary to other global regimes, within the environmental field accountability for global commitments is not a given. While the goodwill of governments exists to implement and comply with the commitments they have made under the various MEAs, questions remain about the degree of implementation and more specifically about accountability, including accountability for funding and/or support for implementing commitments.

7) The implementation gap - insufficient response to countries' needs

Following the ratification of MEAs, many governments face an implementation gap at the national level. This gap is generally the result of a lack of resources, including technical, human, and financial capacity. This is particularly prevalent in developing countries, who argue that despite the political will to implement their obligations under the MEAs, they lack the expertise, institutions, and human and financial resources to do so. The need for increased and tailored support to countries includes support for: carrying out scientific assessments and establishing a science-policy interface; implementing their MEAs—starting from drafting necessary environmental laws to devising appropriate institutions and increasing human capacity to follow through; and linking environmental sustainability with developing strategies and plans.. The current governance structure does not address these needs sufficiently, calling for institutional reforms to be made.

III. Addressing the gaps through the three options

A. Enhancing institutional reforms and streamlining existing structures

Enhancing institutional reforms and streamlining existing structures would entail strengthening—without any changes to the legal setup—the existing functions of UNEP into a more efficient and effective programme to enable it to effectively fulfil its mandate under UN General Assembly resolution 2997 (XXVII) and the Nairobi Declaration on the Role and Mandate of UNEP (1997).

Addressing the objectives and functions identified in the *Belgrade Process* (see Box 1) through enhancing the existing structures would be based on the system-wide responses considered in the Nairobi-Helsinki Outcome, namely:

- To strengthen the science-policy interface with the full and meaningful participation of developing countries;
- To develop a system-wide strategy for environment in the United Nations system;
- To encourage synergies between compatible multilateral environmental agreements and to identify guiding elements for realizing such synergies;
- To create a stronger link between global environmental policy making and financing;
- To develop a system-wide capacity-building framework for the environment;
- To continue to strengthen strategic engagement at the regional level.

1) Authoritative voice to guide environmental policy effectively at the global level

A significant benefit of taking a system-wide approach to environmental management is that clarity could be brought to the overlapping and duplicative mandates of the 40-plus UN bodies working on

environmental issues. However, although system-wide changes will likely improve the delivery of environmental services in the UN system, there would only be modest impacts on the authority of environment ministers.

Unless the profile of environment ministers is raised to the same level as that of ministers in other regimes, the lack of coherence in environmental policies and programmes will continue and insufficient consideration will be paid to interlinkages (both between sectors of the environment and between the environmental pillar of sustainable development and the economic and social pillars). As clarified by the UN Legal Counsel, because UNEP's Global Ministerial Environment Forum (GMEF) is merely a forum for discussions and dialogue, it does not have its own independent legal standing or status. This, combined with the limited membership of the Governing Council and lack of command over the majority of global environmental funds, results in a lack of sustained authority and political power to serve as the anchor for international environmental sustainability efforts.

2) Coherence among global environmental policies and programmes

Developing a system-wide strategy for environment in the United Nations system would go a long way towards increasing the effectiveness, efficiency and coherence of the United Nations system and in that way contribute to strengthening the environmental pillar of sustainable development. A well-executed strategy could engender system-wide cooperation and coordination in the field of environment against the backdrop of the changing roles and responsibilities of UNEP, in part outlined by the Nairobi Declaration. It could also foster complementarity within the United Nations System by clarifying the divisions of labour, avoiding the duplication of efforts and making the coordinating role and work of UNEP serve both the interests of UNEP and those of sustainable development

The strategy could be developed with other parts of the system without the need for upgrading to a specialised agency or an enhanced UNEP. However, there are some limitations. The Environment Management Group, which is currently responsible for UN system-wide coordination on environmental matters, only partially meets coordination requirements. UNEP's authority would still be limited and there would still be a need to bring clarity of purpose and mechanisms for coordination and cooperation among MEAs, among the various UN entities, and between the UN system and the Bretton Woods Institutions as well as the WTO.

3) Science-policy interface for informed decision-making

Strengthening the science base would entail working within existing frameworks to facilitate cooperation in the collection, management, analysis, use and exchange of environmental information, the further development of internationally agreed indicators (including through financial support and capacity-building in developing countries), early warning, alert services, assessments, the preparation of science-based advice and the development of policy options. Building on existing international environmental assessments, scientific panels and information networks, the Global Environment Outlook process could be strengthened to improve the links between science and policy and be re-aligned to better work in cooperation and coordination with existing platforms. Particular focus would need to be placed on meeting the science-policy capacity needs of developing countries and countries with economies in transition.

However, there would be no mandate for developing a permanent science-policy interface for addressing interlinkages and for priority-setting for environmental issues. Additionally, with no mandate for adequate financing for developing countries, the ability to assist countries in enhancing their scientific capacities will remain insufficient.

4) Financial fragmentation

To create a stronger link between global environmental policy making and financing aimed at widening and deepening the funding base for environment, with the aim of helping to meet the need for new and additional funding to bridge the policy-implementation gap through new revenue streams for implementation, enhanced linkage between policy and financing is needed. In addition, stronger and more predictable contributions and partnerships with major donors and the pooling of public and supplementary private revenue streams are required. Through this option, financial tracking systems could be developed to track financial flows and volumes comprehensively at the international and regional levels, with the aim of better analysing how funding for the environment is allocated, and better prioritizing and distributing funding, reducing duplications and inefficiencies and maximising limited resources. With limited scope for increasing traditional sources of environmental funding in the current economic climate, this should be coupled with a strategy for greater involvement of private sector financing.

5) Central monitoring, review and accountability system for commitments made under multilateral environmental agreements (MEAs)

Although the objectives of many MEAs are interlinked and an interlinkages approach to environmental challenges at a thematic level has been developed, the same levels of interaction have not been created between the administering authorities at the different spatial levels – national to global. This presents its own challenges to establishing synergies for effective implementation. There is a need to link regional institutional structures with the institutions for administering the different MEAs. Therefore, a stronger emphasis would be placed on encouraging synergies between compatible multilateral environmental agreements and identifying guiding elements for realizing such synergies while respecting the autonomy of the conferences of the parties. Such synergies would promote the joint delivery of common multilateral environmental agreement services with the aim of making them more efficient and cost-effective. They would be based on lessons learned in other processes such as the chemicals and waste synergies process, and remain flexible and adaptive to the specific needs of multilateral environmental agreements. They would also aim at reducing the administrative costs of secretariats to free up resources for the implementation of MEAs at the national level, including through capacity-building.

In order to better coordinate the MEAs, ministers would also provide overarching advice to the COPs for the sole purpose of fostering better implementation and clustering of related MEAs where economies of scale can be achieved. COPs would remain autonomous but be better served by UNEP. UNEP could establish a system which enables ministers to link global environmental policy with global financing for the environment – including strengthening the Global Environment Facility as major financial mechanism for global environment and providing it with strategic direction. In addition to increased and better use of financial resources, implementation of strategic national priorities would be facilitated by deploying UNEP staff to existing UN country offices.

However, the key challenge of developing central monitoring, review and accountability for commitments is difficult to address without obtaining a mandate to establish some sort of mechanism for dealing assessing progress in implementation, as it is often stated that we cannot assess what we cannot measure.

6) Implementation gap: responding to countries' needs

Developing a system-wide capacity-building framework for the environment to ensure a responsive and cohesive approach to meeting country needs, taking into account the Bali Strategic Plan for Technology

Support and Capacity-Building, could be implemented under this option. The framework would be targeted at strengthening national capacities required to implement multilateral environment agreements and agreed international environmental objectives. Additionally, strategic engagement at the national level could be boosted by increasing the capacity of UNEP regional offices to be more responsive to country environmental needs.

However, there is a need for increased and tailored support to countries including: carrying out scientific assessments and establishing a science-policy interface; implementing MEAs, starting from drafting necessary environmental laws to devising appropriate institutions and increasing human capacity to follow through; and linking environmental sustainability with developing strategies and plans, including exploring opportunities for promoting green economies. The current governance structure does not address these needs sufficiently and enhancing UNEP without additional resources and a mandate to strengthen its regional and national presence, would not achieve the required level of assistance.

B. Enhancing UNEP

This would entail upgrading the functions of UNEP into a centralised, more authoritative and better-endowed international environmental organisation by making it a subsidiary body of the General Assembly that reports its decisions to it directly, similar to the Human Rights Council. A GA resolution enhancing UNEP would establish an organisation and under it would set up the governance, functions, financing, relationship with the rest of the UN and powers.

UNEP would remain, legally, a subsidiary organ of the General Assembly and therefore would not be completely autonomous from GA decision-making and GA powers over it. It would not have certain powers, particularly those to: appoint its own Executive Head, create treaties and conventions under it, request advisory opinions from the International Court of Justice or to develop its own financial rules and policies or vary from the UN regulations and rules. Its programme of work and budget would also be dependent on the approval of the GA.

1) Global authoritative and responsive voice for environmental sustainability

A key element of an enhanced UNEP is universal membership with full representation of ministers providing them with legitimacy and authority to fulfil the mandate of UNEP and to: convene, deliberate and set the overarching strategy and provide policy advice to the UN system on matters relating to the environment – within the context of sustainable development. Though its legal authority would remain dependent on the powers granted to it by the General Assembly, it would have basic powers such as the ability to:

- Create subsidiary bodies and committees;
- Enter into agreements with governments and other intergovernmental bodies;
- Adopt decisions;
- Make recommendations to the UN system in the areas of its mandate;
- Administratively follow the procedures and rules set by the UN and in this context the head of the organisation and managers are accountable to the UN and must comply with UN rules and procedures.

2) Effectiveness, efficiency and coherence within the United Nations system

UNEP would remain a part of the UN body system and would be an internal organisation of the UN secretariat. It would therefore work through the internal mechanisms of the UN for coordination,

including bodies such as the Executive Committee for Economic and Social Affairs (ESA). It would, however, also define its explicit relationship with other UN bodies and specialised agencies as a way of providing clarity and coherence to its work.

To better coordinate the MEAs, ministers would also provide overarching advice to the COPs for the purpose of fostering better implementation and clustering of related MEAs where economies of scale can be achieved. Ministers would also be able to adopt recommendations to the COPs, however, they would remain autonomous but be better served by UNEP. There would also be scope for establishing mutual accountability mechanisms for reviewing progress in supporting and meeting the commitments outlined in MEAs. Recommendations coming from UNEP would legally be subject to General Assembly acceptance. However, as an enhanced UNEP would be set up as an organisation under the GA with universal membership there would ostensibly be no need for such decisions to be reopened by the General Assembly, they would simply be passed and adopted as an adoption procedure under the GA.

3) Securing sufficient, predictable and coherent funding

Enhancing UNEP could provide it with the mandate and authority to establish a system which enables ministers to link global environmental policy with global financing for the environment – including strengthening the Global Environment Facility as major financial mechanism for global environment and providing it with strategic direction. The financial arrangements of an enhanced UNEP would be similar to what they are currently with UNEP and establishing universal membership would not automatically mean applying the UN scale of assessed contributions. However, there would be more scope for addressing financial fragmentation in the current IEG system. For example, in addressing the inefficiencies arising out of the separate administration of MEA secretariats, the Governing Council, convening at universality and in agreement with the Conferences of Parties of the relevant MEAs could amend current arrangements to establish joint secretariat functions, such as legal, conference and finance services.

4) Strong, credible and accessible science base and policy interface

An enhanced UNEP would be able to create subsidiary bodies and committees, which would enable it to establish a permanent science-policy interface and address some of the information and capacity gaps, and to focus on enhanced dissemination of data and information from the global observing systems and other global initiatives to the regional and national levels, thereby enhancing their capacities. The establishment of a Science-Policy Advisory Committee (as described in the following section under C.4) could also be explored.

5) Responsive and cohesive approach to meeting country needs

In addition to increased and better use of financial resources, implementation of strategic national priorities could be facilitated by deploying UNEP staff to existing UN country offices. An implementation arm for assisting countries on environmental and MEA implementation could be established by strengthening UNEP's presence at the regional and national levels. This would enable greater cooperation with regional processes and initiatives such as the regional economic commissions, regional processes, such as the African Ministerial Conference on the Environment (AMCEN), or regional development banks.

Based on initial needs assessments of countries, either independently or as part of the United Nations Development Assistance Framework (UNDAF), UNEP's work would be focused on three strategic priorities: The implementation of agreed commitments and goals, support in integrating environmental

sustainability priorities into economic policies and development and poverty reduction strategies and plans and capacity building in a broad sense.

C. UNEP as a specialised agency for the environment

The option of establishing UNEP as a specialised agency (often referred to as World Environment Organisation), as provided for by Articles 55 and 56 of the United Nations Charter, would be based on an independently negotiated treaty as its constitutional foundation. A specialised agency is mandated to deal with a specific issue area, but is not exclusively in charge of that issue. Like other specialised agencies, such as the International Labour Organisation (ILO) or World Health Organisation (WHO) it would closely cooperate with its sister UN agencies and the UN system at large.

1) Global authoritative and responsive voice for environmental sustainability

In addressing the lack of a strong voice for the environment, establishing UNEP as a specialised agency would place equal importance on the environmental sector, as has been placed on other sectors of society that have a single voice promoting their respective causes. Based on universal membership, it would provide the world's environment ministers with a platform to agree on global environmental policies and a mechanism to provide guidance to governments at large, the UN system and other international and regional organisations. A specialised agency would be able to adopt decisions within the scope of the agency's core mandate without subjection for review by other international bodies. This would ensure that those decisions are not buried under the interests in other fora. The specialised agency could initiate the negotiation of treaties in order to further carry out and implement its work and, once entered into force, administrate those treaties under its auspices, thereby avoiding fragmentation of the governance system. It could also enter into agreements with governments and international organisations, thereby providing further guidance. Subsidiary bodies and committees could be created to enhance its focus on specific subject matters and increase efficiency of its operations. A specialised agency would also enjoy *locus standi* to request advisory opinions from the International Court of Justice, as long as this is within the scope of its activities, creating further potential compliance mechanisms.

2) Effectiveness, efficiency and coherence within the United Nations system

Equipped with an adequate mandate, a specialised agency would be in the position to foster strong synergies between MEAs. This would enable reduction of overlaps and gaps in legal agreements. It could also make use of consolidated scientific mechanisms and other expert committees. Implementation at the national level could be combined and interlinkages better taken into account. A specialised agency would also be able to reduce administrative costs by providing unified administrative services to all agreements.

While decisions taken by COPs that are entirely within the scope of their respective MEAs, increasingly, MEAs must function in the greater context of environmental sustainability in order to effectively and efficiently achieve their objectives. This requires greater cooperation between MEAs as well as with the rest of the UN system. MEAs are not self-contained and operate in the greater context of international law. The specialised agency would be the principle international body for the environment and would set the environmental agenda system-wide. It would also provide advice on the priorities, activities and actions required to have holistic approaches to environmental sustainability. It would make recommendations in this domain to the entire UN system, to MEAs and to all countries in general. As such, MEAs that take decisions that are related to areas of cooperation in the wider context of

environmental sustainability could not adopt such decisions in isolation. COPs would have to take into consideration the recommendations made by the specialised agency.

Given that a specialised agency has the power to establish its own treaties and conventions, future MEAs could be negotiated under the auspices of the agency which would be a comparative advantage to the current system as it would reduce the treaty fragmentation that has developed over the past decades.

Provided with the authority, a specialised agency for the environment would also be able to coordinate the environmental pillar in general, through its increased weight vis-à-vis other specialised agencies within the UN system. It would be in a better position within the UN secretariat to set the global environmental agenda for the entire system.

3) Securing sufficient, predictable and coherent funding

As set out in the description of gaps above, the current financing architecture for the environment is as equally fragmented as the legal framework. A specialised agency would provide the case in point for streamlining existing funding mechanisms. In particular, it would open up opportunities for aligning the global policy authority for the environment with the global environmental financing mechanism, the Global Environment Facility. Environment ministers could take a lead in policy guidance on funds currently channelled through the GEF, as the universal body of the specialised agency could be brought into a closer relationship with the Council of the GEF. Such an arrangement would allow for a more strategic allocation across environmental sectors tailored towards the needs of countries. Rather than benefiting countries with the implementation of a limited number of MEAs, allocation could be broadened and, for example, be applied on a cluster basis. This would decrease overhead costs and free funds for further implementation. A specialised agency would also hold the mandate to assist countries in accessing funding and, in fact, build the capacity of developing countries to access funding.

Increased predictability and stability of funding could be achieved through a system of assessed contributions, a common feature, yet not necessity, of specialised agencies. The actual funding modalities of specialised agencies are set out in their constitutions (or equivalent texts) and elaborated in financial regulations. The constitutions provide, in most cases, that the expenses of the approved budget estimates shall be apportioned among the member states on the basis of a scale to be determined by the supreme legislative body. The constitutions of most organisations foresee some funding in addition to assessed contributions.

With a broader mandate that includes tailor-made support for countries at the national level, a specialised agency is expected to attract further funding from different sources.

4) Strong, credible and accessible science base and policy interface

A specialised agency would also allow for defragmenting the current science-policy interface. A Science-Policy Advisory Committee could be established under the governing body with universal membership. It would be composed of experts with international standing, representing the UN geographic regions. It would meet regularly in between sessions and ensure the continuous scientific support to the specialised agency's work in support of countries' needs. As existing scientific mechanisms would be more integrated, a committee under a specialised agency would have better opportunities to consider interlinkages between environmental sectors but also the environmental, economic and social sectors. Furthermore, it could target its work in a more effective manner towards the needs of the agency in formulating global and regional policies and through an enhanced capacity

building mechanism, could assist developing countries in building their own scientific assessment and analytical capacity. Specifically, it could be tasked with:

- Conducting a scientific, globally integrated assessment with emphasis on providing policy relevant information to decision-makers. The assessment would be conducted every five years.
- Facilitating and putting more emphasis on timely and results-based solutions for consideration.
- Providing scientific data to assess MEA implementation.
- Developing standardised indicators for monitoring and evaluation of environmental activities.
- Responding to requests for information and dissemination of scientific findings and facilitating data collection and capacity building needs in developing countries.
- Enabling rapid and interactive assessments and the sharing of near real time information access using the GEO Live Platform.
- Keeping track of and analysing scientific assessments produced by other bodies such as the IPCC, future IPBES etc.

5) Responsive and cohesive approach to meeting country needs

A specialised agency would be specifically equipped with an implementation arm to better support countries' implementation efforts at the regional and national levels.

The specialised agency would strengthen its network of regional offices and country presence. This would enable greater cooperation with regional processes and initiatives such as the regional economic commissions, regional processes, such as the African Ministerial Conference on the Environment (AMCEN), or regional development banks. Its staff would be placed into existing UN Offices and UN country teams in addition to providing targeted national support from regional offices. Based on initial needs assessments of countries, either independently or as part of the United Nations Development Assistance Framework (UNDAF), its work would be focused on three strategic priorities: The implementation of agreed commitments and goals, support in integrating environmental sustainability priorities into economic policies and development and poverty reduction strategies and plans and capacity building in a broad sense.

Programmes, such as the UNEP MEA focal point system and the UNDP/UNEP Poverty and Environment Initiative (PEI) could form an integral part of the regional and country programmes. Taking a clustering approach, the MEA focal point system could be enhanced to encompass the marine and freshwater, as well as atmospheric MEA clusters in addition to the already existing biodiversity and chemical and waste clusters. Working in close cooperation with MEA secretariats overlaps could be avoided and efficient resource use maximised. A clustering approach could also help rationalising MEA costs by combining relevant responses to commitments arising under different MEAs.

The PEI provides a formula for integrating environmental priorities into national poverty reduction and development strategies and plans. It could be extended to form an essential part of One UN programmes and UNDAF. Furthermore, policy tools, facilitation of technology, knowledge transfer and other measures for the transition to a green economy should be combined with existing tools to enable developing countries leap-frogging into developed green economies.

Capacity building, whether as a stand-alone activity or as part of a substantive programme or project, would be a basic building block of any country support through the specialised agency. As part of the initial needs assessment, which would determine the overall extent of support needed, the requirements

for stand-alone capacity building would be assessed. Capacity building measures would have to be integrated into general governance support programmes to increase their effectiveness.

As part of the regional support, the agency's regional offices would further provide a platform for initiating and executing South-South cooperation. Understanding the needs and bringing together the expertise of one region would allow it to match potential partners for South-South cooperation thereby opening up an additional avenue for support.

A specialised agency would also include in its governance processes and implementation mandate enhanced partnerships with civil society organisations. Needs assessments could be carried out in consultation with non-governmental organisations and experts and non-governmental organisations and experts should also be part of implementation processes.

IV. Weighing the three options

In general terms, establishing UNEP as a specialised agency has the advantages of: providing autonomy for environmental decision-making in the UN system and establishing a formal agreement between UNEP and the UN Secretariat/GA; universal membership – allowing for more legitimacy when decisions are taken in the governing body; clarifying the relationship between UNEP and other specialised agencies, including the financing relationships; enabling UNEP to adopt treaties and set standards. This would also extend to providing environment ministers with a platform for considering stronger synergies between MEAs and overcome the disparity between the membership of COPs/MOPs and the UNEP GC. As the authoritative body on environment that sets the system-wide agenda on environment, UNEP could also make recommendations to the COPs. There would also be scope for establishing a permanent science-policy mechanism that better addresses the information and capacity building needs of members. If properly considered, a mandate for a stronger implementation arm would also be a clear benefit to members, particularly developing countries and countries with economies in transition. Besides normative activities, such as acting as a forum for discussions, analytical functions and information dissemination, UNEP could become more involved in operational activities – meeting increasing requests from countries to assist with national implementation of internationally agreed environmental commitments.

However, as a specialised agency, UNEP would no longer receive a regular budget from the UN and would have to rely on contributions from member states for up to 60% of its budget. In addition, establishing UNEP as a specialised agency would require substantial investment in time and would depend on the speed of negotiations. Perhaps the biggest obstacle to overcome would be agreeing on the elements of the constitution/articles of agreement for UNEP.

Alternatively, enhancing UNEP through a GA resolution would have many of the same benefits as a specialised agency and would not require the same amount of negotiation that would be required to go the treaty route. An enhanced UNEP could provide for: universal membership to increase the legitimacy of decisions taken by the Governing Council; clarifying the relationship between UNEP and other subsidiary organs of the UN; and increasing the regular budget. Passing such a resolution could be achieved relatively quickly, possibly through one GA session. The process for implementing the resolution would probably require a biennium.

However, UNEP would continue to derive its legal personality from the UNGA and its decisions would not become effective until they have been reviewed and adopted by the UNGA. UNEP would continue

to lack the clear division of labour and standings afforded to the specialised agencies and would be unable to adopt treaties and standards.

Strengthening the functions of UNEP by enhancing institutional reforms and streamlining existing structures would be relatively easy to accomplish and central to this would be the establishment of a system-wide strategy for environmental activities in the UN. However, this option would not address the key issues of authority over environmental activities in the UN system or financial fragmentation of funding for the environment. Improvements could be made to the existing science-policy mechanisms and to strengthening assistance for national implementation of environmental commitments; but without an enhanced mandate the changes would be less effective. Moreover, in considering the formulation and efficacy of a system-wide strategy, it is worth considering the experience of the first medium term environment programme.

The first system-wide medium-term environment programme (SWMTEP), as originally conceived, was a formalisation of bilateral, multilateral programming initiated by UNEP in its early years and was endorsed by the GC at its sixth session in 1978. In 1979, the Administrative Committee on Coordination (ACC) report to the GC focused on thematic joint programming exercised between UNEP and other UN agencies, and expressed the willingness of the ACC to extend full cooperation the SWMTEP endeavour and in the development of the requisite methodology during the experimental phase between 1978 and 1982. In 1979, at its nineteenth session, the Committee for Programme and Coordination (CPC) reviewed the system of the United Nations medium-term planning and made several recommendations to ECOSOC and the UNGA, including that thematic joint programming should be developed into an effective programming instrument for the medium-term programme and that the SWMTEP should be developed as a management tool for all organisations. The 1986 ACC report noted that the SWMTEP - I was the only system-wide effort which had proved to be of great value in the planning and implementation of environmental activities. Moreover, it had offered fresh forms of dialogue and cooperation. The ACC also observed that the entire UN system had cooperated on the development of a methodology for the SWMTEP. The GC subsequently invited the ACC to review and further develop this methodology through the Designated Officials for Environmental Matters (DOEM).

SWMTEP - II covered the period 1990 - 1995, but experienced difficulties in its implementation due, inter alia, to the different mandates, governance and programming cycles of the various UN organisations, developments in related to the UNCED process which supersedes the SWMTEP and problems in preparation and implementation. This was evidenced by the fact that the SWMTEP was provided to only one governing body, apart from the UNEP GC, and then only for information. As such, SWMTEP - II never achieved the status of a programming document for the UN system in the field of environment.

Based on a mid-term review of SWMTEP - II (UNEP/GC.17/6), the then Executive Director concluded that, although the SWMTEP had been a useful vehicle for UNEP in environmental coordination, for a number of reasons it had not served its original purpose as an instrument for planning and formulating the environment programme of the UN system. The ED therefore recommended, inter alia, that the GC should defer the decision on the future of the SWMTEP, and that she would evaluate whether there was still a need for a system-wide strategy and planning document and report thereon to the GC at its eighteenth session.

Ultimately, further discussions within the Inter-agency Environment Coordination Group (IAEG) revealed a general consensus on the value of a strategic as opposed to a planning document, which would help ensure complementarity within the UN system and that it should be by a SWMTEP type of document. It was noted that, even if the document were synchronised with the UNMTP, it would still not be in accordance with many of the programming cycle of the UN organisations. However, if the

document were based on strategic joint goals, rather plans, the flexibility would make it easier to cope with the lack of synchronisation. Members of the IAEG felt that it could be difficult to explain to their governing bodies, which have different mandates and priorities, the efficacy of a planning document. At the same time, they acknowledged that it would be useful to demonstrate to governing bodies how their environmental strategies fit into a system-wide approach, which would assist in justifying environmental proposals as a collective views of the system, as well as serving as a day-to-day management tool.

The SWMTEP was discontinued in 1999 and its Medium-Term Strategy for 2010-2013 is not a system-wide instrument. However, there is agreement among member states of the need for a strategy document for environmental activities in the UN. Nonetheless, it is easy to determine that, without strong legitimacy, issues of authority will arise when attempting to establish such a strategy within UNEP's current mandate.

Comparison Chart of Options for Broader Reform of IEG

Note: This chart indicates possible scenarios for strengthening IEG based on the Nairobi-Helsinki Outcome, and evaluates the major differences and strengths and weaknesses between them.

Evaluation objectives*	UNEP: Status Quo	Enhanced institutional reforms and streamlined existing structures	Specialised Agency	Enhanced UNEP**
Global authoritative and responsive voice for environmental sustainability	Lack of Authority to advise UN system on environment; GC decisions subject to UNGA and other bodies.	Authority increased through modest reforms of system, such as stronger role of EMG; GC held back to back with other fora; use of system-wide strategies.	Central authority for the environment; universal membership; decision making powers which are not subject to UNGA.	Stronger authority as 'organization'; universal membership; decision-making subject to GA authority, but through practice would probably have greater independence.
Effectiveness, efficiency and coherence within the United Nations system	System deeply fragmented, lack of authority to provide coherence.	UN system-wide strategies developed for environment; enhanced synergies between compatible MEAs; identified guiding elements for realizing such synergies while respecting the autonomy of the conferences of the parties.	Strong functions for synergies of MEAs and coordination of the environmental pillar; Specialised agency has legal power to establish treaties without further approval from UNGA, thus future MEAs could be housed and administered together	Stronger authority to promote MEA synergies and improvements through universal membership to play advisory and review role across UN system; no treaty independent making powers.
Securing sufficient, predictable and coherent funding	Funding spread among multiple mechanisms, voluntary only, disconnected from global ministers for environment, insufficient funds to fulfill mandate	Tracking system developed to monitor financial flow for entire system.	More centralized funding for developing countries; stronger advisory role in existing mechanisms; mandate to assist developing countries access funding; more predictable and stable financing which could include assessed contributions or hybrid; broader mandate to attract further funding; independent from regular UN budget.	More centralized funding for developing countries; stronger advisory role in existing mechanisms, stronger role to assist developing countries access funding; broader mandate to attract further funding; increased contributions from UN regular budget.

Strong, credible and accessible science base and policy interface	Poor use of GC and committees as science-policy interface; no mandate or adequate financing to enhance scientific capacity of developing countries.	Internationally agreed indicators developed; financial support and capacity-building for developing countries improved; the Global Environment Outlook process strengthened; working in cooperation and coordination with existing platforms.	Established science-policy interface for interlinkages; priority setting for environmental issues and clear mandate; ability to assist developing countries enhance their scientific capacities.	Establishment of science-policy interface on interlinkages between assessments, priority setting for environmental issues and clear mandate and enabled to assist developing countries enhance scientific capacities.
Responsive and cohesive approach to meeting country needs	Weak mandate, focused on demonstrative/pilot projects; ability and role in implementing MEAs is limited; no or limited country presence.	Built on Bali Strategic Plan to capacity-building framework for the environment; a responsive and cohesive approach to meeting country needs ensured; national capacities, required to implement multilateral environment agreements and agreed international environmental objectives strengthened; UNEP regional offices strengthened.	Strong mandate and implementation arm working through One UN framework; physical presence in developing countries; stronger regional offices with enhanced capacity for implementation of MEAs and capacity to support transition to a Green Economy.	Strong mandate and implementation arm working through One UN framework; physical presence in developing countries, stronger regional offices with enhanced capacity for implementation of MEAs and capacity to support transition to a Green Economy.

Scores estimate how each objective can be met by the three institutional models analysed in this paper, alongside the status quo. Scores range from 1- 5, with 1 being the lowest and 5 the highest.

* The objectives and functions of an IEG system were agreed in the Belgrade Process by the Consultative Group of Ministers or high-level Representatives on international environmental governance established under GC decision 25/4.

**'Enhanced UNEP' assumes the upgrading of UNEP into an organisation established by General Assembly resolution.