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**STRENGTHENING THE INSTITUTIONAL FRAMEWORK
FOR SUSTAINABLE DEVELOPMENT:
THE ENVIRONMENT PILLAR**

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I. Introduction

Nearly a decade after the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002, the challenges of environmental sustainability and sustainable development have become more pronounced, while the world's interconnectedness and interdependence have dramatically increased. There is a growing recognition by the public and the diplomatic community of the need to manage these problems through closer global cooperation; the current global governance architecture, however, is struggling to adapt, and some believe that the international system has reached an evolutionary crossroads.¹ The international organizations that were established in another era are finding it difficult to cope with the common challenges facing the international community. There is a need to rethink how we tackle these challenges and to reinforce the commitment to the international order that was put in place to manage problems that cannot be solved by a single country and instead require collective action by a committed and cooperative international community.

Ensuring an effective institutional framework for sustainable development at all levels and giving full consideration to each of the three pillars: economic, social, and environmental, is key to the realisation of the goals of sustainable development. An international governance system involves, firstly, the institutions and mechanisms responsible for the entire process, integrating all the aspects of sustainable development. At the same time, it also involves institutions specialising in the three key areas. Making progress towards sustainability necessitates both strengthening the overall structure and enhancing the individual components. With the theme of the “institutional framework for sustainable development”, the Rio+20 Conference will present a valuable opportunity both to think creatively about how to ensure that the three pillars of sustainable development are equally strong and to take action outside the constrained framework of institutions within which the international community usually operates.

Regarding the environment pillar, the high-level consultative process on broader international environmental governance reform established by the Governing Council in its decision SSXI/1 of 26 February 2010 has proffered several proposals, captured in the Nairobi-Helsinki Outcome, to strengthen and improve coherence in the international environmental governance system.

The Nairobi-Helsinki Outcome is also a positive step towards more coherence between economic, social and environmental interests throughout the United Nations system. However, questions still remain as to the relationship between the current institutional structures for environmental sustainability and those for the economic and social sectors, in addition to whether an overarching institutional framework for sustainable development can be created.

¹ Richard Samans, Klaus Schwab and Mark Malloch-Brown, “Everybody’s Business: Strengthening International Cooperation in a More Interdependent World”, 2010.

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.*

This paper outlines reform process as undertaken by the United Nations Environment Programme (UNEP) Governing Council -mandated ministerial consultative groups, the current gaps in the international environmental governance regime, shows the importance and fundamental value to economic development, social welfare and human wellbeing and outlines some of the main options for strengthening environmental sustainability. It focuses on the governance of the environmental pillar and argues that if the framework for sustainable development is to be reinforced it must begin with strengthening both the environmental pillar and the integration and coordination functions of overall governance for sustainable development. It concludes by offering some key messages that should be considered if progress

is to be made in better integrating the environment pillar into the framework of sustainable development.

II. Origins and mandate of the Consultative Group

The Consultative Group of Ministers or High-level Representatives on International Environmental Governance (the Consultative Group) was established by the UNEP Governing Council in its decision SS.XI/1 of 26 February 2010. Decision SS.XI/1 builds upon the work of an earlier consultative group of ministers and high level representatives established by the Governing Council in its decision 25/4 of 20 February 2009.

The work of that group, which has come to be known as the “Belgrade Process” in reference to the site of its first meeting, resulted in the identification of some objectives and functions of an international environmental governance system (see Box 1) and the elaboration of a “set of options for improving international environmental governance”, which were presented to the Governing Council at its eleventh special session.

Decision SS.XI/1 requested the Consultative Group “to consider the broader reform of the international environmental governance system, building on the set of options developed during the Belgrade Process, but remaining open to new ideas”. It also requested the Group to conclude its work in a timely fashion and to present a final report to the Governing Council at its twenty-sixth session, in anticipation of the Council’s contribution to the second meeting of the preparatory committee of the United Nations Conference on Sustainable Development (the ‘Rio+20 Conference’) and the sixty-fifth session of the United Nations General Assembly.

The decision requested the Executive Director of UNEP, in his capacity as Chair of the Environment Management Group, “to invite the United Nations system to provide input to the group”, and requested the consultative group, through the UNEP secretariat, “to seek relevant inputs from civil society groups from each region.”

Work and outcome of the Consultative Group

The Consultative Group met in Nairobi from 7 to 9 July 2010 and in Espoo, Finland, from 21 to 23 November 2010. Representatives of 58 countries attended the Nairobi meeting and those of 44 countries attended the Espoo meeting. Inputs from civil society were provided to the process through the UNEP secretariat and inputs from the United Nations system through the Environment Management Group.

The President of the Republic of Finland, Tarja Halonen, who is also a co-Chair of the High Level Panel on Global Sustainability, opened the meeting. She welcomed the work of the Consultative Group, saying that the Panel would be listening to the signals that it sent.

Strengthening the international environmental governance system: functions and system-wide responses

Having considered the objectives and functions of an international environmental governance system identified during the Belgrade Process, and after reviewing gaps and options discussed in the co- chairs’ document on elaboration of ideas on broader international environmental governance reform (UNEP/CGIEG.2/2/2), the Consultative Group identified a number of potential system-wide responses to the challenges in the current system of international environmental governance, including:

- 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.

Having identified the potential system-wide responses above, the Consultative Group considered institutional forms that would best serve to implement those responses and achieve the objectives and functions identified during the Belgrade Process.

Strengthening the global authoritative voice, as well as other voices, for the environment is a key outcome of the international environmental governance reform process, providing credible, coherent and effective leadership for environmental sustainability under the overall framework of sustainable development. During the Belgrade Process and in the co-chairs' document on elaboration of ideas for broader reform of international environmental governance (UNEP/CGIEG.2/2/2), various options for broader institutional reforms were put forward, including the following five options:

- (a) Enhancing UNEP;
- (b) Establishing a new umbrella organization for sustainable development;
- (c) Establishing a specialized 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.

The Consultative Group recognized the need to develop all the options further and suggested that options (b) and (d) would best be addressed in the wider sustainable development context.

Based on the principle that form follows function, and recognizing that it had not achieved consensus on institutional form, the Group suggested that existing institutions be strengthened and enhanced and that options (a) enhancing UNEP, (c) establishing a specialized agency such as a world environment organization, and (e) enhancing institutional reforms and streamlining existing structures were potential options for strengthening the form of the environmental pillar in the context of sustainable development and achieving effective international environmental governance.

III. Institutional framework for sustainable development (IFSD): The importance of the environment to the economic and social pillars

The United Nations Conference on Environment and Development (UNCED) of 1992, commonly referred to as the 'Rio Conference' or 'Earth Summit', was a major success in raising public awareness on the need to integrate environment and development. In the preparatory process for the Earth Summit, there were a number of proposals for institutional reform to address the challenges of sustainable development. UNCED saw the adoption of a number of crucial agreements, including the Rio Declaration, Agenda 21, and the landmark "Rio conventions" (CBD, UNCCD, UNFCCC). It also created new international institutions, among them the Commission on Sustainable Development, tasked with the follow-up to the Rio

Conference, and led to the reform of the Global Environment Facility. Ten years later, the concept of three mutually reinforcing pillars of sustainable development was incorporated into the 2002 Johannesburg Plan of Implementation (JPOI). The same was addressed also in the 2005 World Summit Outcome Document.

A guiding principle for the discussions on the institutional framework for sustainable development (IFSD) is that form should follow function. Since there has been a broad agreement that there is insufficient integration among the three pillars of sustainable development, it follows that governance in all three pillars needs to be strengthened, better coordinated and more coherent. The environmental pillar, stated in the Secretary-General's report to the first meeting of the Preparatory Committee for Rio+20 as being the weakest of the three pillars², needs strengthening in order to be able to improve human wellbeing, to contribute to economic growth and to increase social wellbeing.

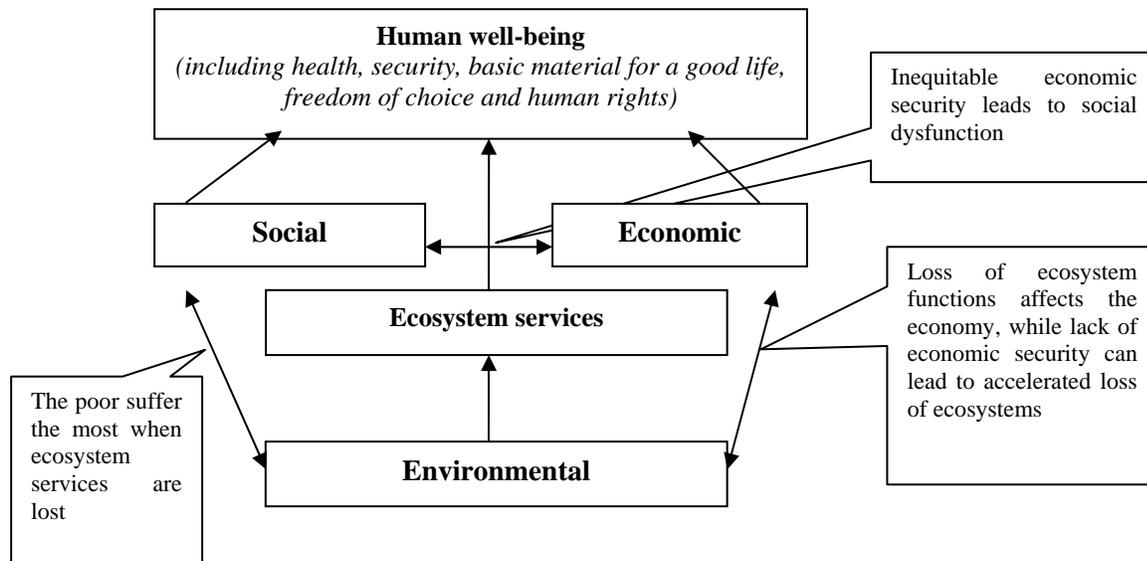
While the idea of achieving sustainable development has been politically popular; and although there have been a great many efforts to define sustainable development, we continue to lack coherent strategies for its implementation. Part of the reason for this is that a lack of clarity has enabled sustainable development to become a catch-all for special interest groups, resulting in an incoherent, sprawling and costly agenda.

Environmental issues are intertwined with many economic development and social issues and are intricately interwoven with poverty. The Millennium Ecosystem Assessment shows that there is a direct relationship between the health of the environment (ecosystems) and economic and social welfare, establishing conclusively that efforts to alleviate poverty and improve human wellbeing will not succeed where environmental degradation is allowed to continue. Underlying all the resources that we use are ecosystem processes: the biological, chemical and physical interactions between the components of ecosystems (e.g., soil, water and species). These processes produce benefits to people (or ecosystem services) in the form of food, clean water, carbon sequestration and reductions in erosion, among others. In essence, the goods and services that drive our economy and support our social systems are derived largely from a healthy and functioning environment (see figure below).

Goods and services derived from the environment have contributed to substantial net gains in economic development, social welfare and human wellbeing overall. The version of the report on the economics of ecosystems and biodiversity for national and international policy makers shows that the economic and social sectors are directly dependent on biodiversity and ecosystem services, including agriculture, fisheries, forestry, development, health, energy, transport and industry. Several depend on natural capital for their flow of inputs, research, new products and business innovation. For example, 20–25 per cent of the pharmaceutical sector's turnover (some \$650 billion per year) is derived from genetic resources, and ecotourism generates around \$100 billion per year in employment. Overall, the report estimates, failure to halt biodiversity loss on land may cost \$500 billion by 2010, this being the estimated value of ecosystem services that would have been provided had biodiversity been maintained at 2000 levels. At sea, unsustainable fishing reduces potential fisheries output by an estimated \$50 billion per year.

² See the Report of the Secretary-General, 2010, *Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference* (A/CONF.216/PC/2) April 2010. Also see the Information note by the Executive Director, *Environment in the UN system*. UNEP, 7 June 2010. Available at <http://www.unep.org/environmental-governance/LinkClick.aspx?fileticket=tZyjX8cn738%3d&tabid=4556&language=en-US>

Links between the environment, economic development and social welfare



These gains have been achieved at an ever-growing cost in the form of degradation of many ecosystem services, increased risk of non-linear changes and exacerbation of poverty for some groups of people.

Sustainable Development and the Green Economy

The concept of the green economy, defined by UNEP for working purposes as an economy “that results in **improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities**”³, is increasingly being accepted as a means to achieving sustainable development. Contrary to the concept of sustainable development, it provides governments with concrete policy tools to enter a low-carbon, resource efficient and socially inclusive development path. Like sustainable development, however, it relies on an effective governance framework. The reform of international environmental governance therefore also needs to support governments in making such a transition to a green economy, based on the priorities, which will best serve their peoples wellbeing.

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 current 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

³ See <http://www.unep.org/greeneconomy/AboutGEI/WhatIsGEI/tabid/29784/Default.aspx>

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. 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 supports 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 administrated 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, based in different locations, with 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, 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.

Institutional options for addressing the gaps

Over the course of the past six months, suggestions have been made by governments that UNEP focuses 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 section therefore focuses on merely 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, aforementioned UNEP-related options are interpreted to be 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 UN General Assembly resolution, whereas enhancing institutional reforms and streamlining existing structures is interpreted as strengthening existing structures without any changes to the legal setup of UNEP.

Comparison Chart of Options for Broader Reform of IEG

| Evaluation objectives ⁴ | UNEP: Status Quo | Enhanced institutional reforms and streamlined existing structures | Specialised Agency | Enhanced UNEP ⁵ |
|---|--|--|--|--|
| 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; absolute decision making powers. | Stronger authority as 'organization'; universal membership; decision-making subject to GA but through practice. |
| 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. | Mandated to have strong functions for synergies of MEAs and coordination of the environmental pillar; Specialised agency has legal power to establish treaties, thus future MEAs are under the organization. | Mandated to have stronger authority over MEA synergies and improvements through universal membership to play advisory and review role across UN system; no treaty making powers. |
| Securing sufficient, predictable and coherent funding | Funding spread among multiple mechanisms, voluntary only, disconnected from global ministers for environment, insufficient funds to fulfil 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 through assessed contributions; broader mandate to attract further funding; independent from regular UN budget. | More centralized funding for developing countries; stronger advisory role in existing mechanisms, mandate to assist developing countries access funding; broader mandate to attract further funding; increased contributions from UN regular budget. |

⁴ 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.

⁵ Enhanced UNEP' assumes the upgrading of UNEP into an organisation established by General Assembly resolution.

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* enhancing the existing structures would be based on the system-wide responses considered in the Nairobi-Helsinki Outcome.

Enhancing UNEP

This option 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 it 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 the power to appoint its own Executive Head, the power to create treaties and conventions under it, the power to request advisory opinions from the International Court of Justice and the power 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.

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.

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.

It is argued that a WEO would strengthen the effectiveness, efficiency and coherence of international environmental governance. It would pursue three objectives: give more political weight to international environmental action, make this action more coherent and allow developing countries to devise and implement their national environment policies.

UNEP would be enhanced to fulfil its global mandate by giving it: universal membership, a mandate to lead the development of a UN wide environmental strategy, 3. a mandate to link global financing for environment to global policy making, allowing it to consider, for example,

the role of the Global Environment Facility, permanent science-policy interface based on the UNEP Global Environment Outlook (GEO) process, a multi-scaled policy review mechanism. In addition, UNEP's capacity to assist in science and implementation of MEAs would be enhanced by: reinforced regional offices, desk officers or in national offices with more financing for capacity building and technology transfer activities.

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/General Assembly; 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 Governing Council. As the authoritative body on environment that sets the system-wide agenda on environment, UNEP could also make recommendations to 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 to 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 General Assembly 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 General Assembly 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 issue 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.

Sustainable development governance at the national level

The basis for sustainable development action at the national level is derived from international policies, in particular Agenda 21,⁶ in which the United Nations Conference on Environment and Development envisaged that the necessary harmonization and extension of existing policies and plans would occur through the adoption of an identifiable strategy for sustainable development, with the overall objective being “to improve or restructure the decision-making process so that consideration of socio-economic and environmental issues is fully integrated and a broader range of public participation assured”.⁷ In 2006, the International Institute for Sustainable Development, in cooperation with the Organization for Economic Cooperation and Development, carried out a study to assess the efforts of 21 countries⁸ in designing and implementing national sustainable development strategies. The authors of the study examined six crucial governance elements and produced associated effectiveness criteria.⁹

The principal challenges for sustainable development governance at the national level are that national authorities tend to view sustainable development as dealing mostly with environment, rather than as one of three equally important pillars of sustainable development, and, by the same token, to place responsibility for sustainable development solely within the environmental authorities of Governments, which are usually among the weakest of line ministries. A strong environmental pillar at the national level along with a clearly defined domain could be a way of ensuring that there is greater clarity between sustainable development and the mandate of environment and that integration takes place across all pillars.

Moreover, following the ratification of MEAs, many governments face an implementation gap at the national level. This gap is generally the result of a lack in capacity, including technical, human, and financial capacity. It 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, human and financial resources to do so.

Two reasons stick out that call for increased country responsiveness: Firstly, the recognition that a ‘One size fits all’ approach is inadequate in achieving development and environmental goals; and secondly, that implementation of policies requires a country to have the necessary capacity. Any global or international environmental policy ultimately needs to be implemented at the national level. At the same time, governments need to be able to implement environmental policies according to the commitments they have made and the priorities they have set. Global policies cannot take account of individual countries’ needs. Different countries have different natural resource bases and face different environmental challenges which impact on their development paths. If countries wish to embark on a sustainable development path their

⁶ *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3–14 June 1992* (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: Resolutions adopted by the Conference, resolution 1, annex II.

⁷ *Ibid.*, para. 8.3.

⁸ Belgium, Brazil, Canada, China, Czech Republic, European Union, Finland, France, Germany, Ireland, Italy, South Korea, Mexico, Norway, Philippines, Portugal, Slovakia, South Africa, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland.

⁹ Darren Swanson and László Pintér, “Governance Structures for National Sustainable Development Strategies: Study of Good Practice Examples”, 2006, p. 5. Available from www.iisd.org/pdf/2006/measure_gov_structures.pdf.

individual situations need to be taken into account. Equally, while political will often exists, the lack of capacity - be it human, institutional, technological, or financial - prevents governments from implementing their commitments in many cases.

There is a need for increased and tailored support to countries includes: 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 green economies.

The current governance structure does not address these needs sufficiently, calling for institutional reforms to be made.

Moving towards better integration of the three pillars of sustainable development

It is possible to reverse the degradation of the environment over the coming 50 years. The required changes in policy and practice are not, however, under way.¹⁰ The need for growth and development and the need to protect and maintain the natural environment are often pitted against each other as opposing objectives. In reality, the world's economies would grind to a halt without the services that ecosystems provide. Environmental policy is greatly affected by economic planning and activity, making consideration of the environment in isolation from economic activity and development is an ineffective approach to achieving sustainability. Equally, economic planning that ignores environmental impacts may result in increased negative impacts on resource use and human well-being. Accordingly, the institutional basis for decision-making must integrate environmental and economic decision-making to create sustainability.¹¹

Governance for environmental sustainability is therefore one of the great current challenges for political decision makers and we must promote governance based on learning from experience and adapting to change, so as to deal with dynamic social and ecological systems. Since the United Nations Conference on the Human Environment, held in Stockholm in 1972, achievements have been made in protecting the environment through the creation and strengthening of institutional mechanisms. Such mechanisms have been established to tackle sectoral environmental issues, in addition to the interlinkages between the environment, development and economic concerns. These advances notwithstanding, the state of the environment continues to decline.

Improving environmental conditions to reduce poverty involves changing institutions and policy instruments. It has been argued that the causal roots of environmental degradation lie in institutional and policy issues rather than in poverty itself¹² and that the relationship between poverty and environment is mediated by institutional, social, economic and cultural factors.¹³

One of the major policy priorities for improved environmental sustainability is, therefore, improving environmental governance. To meet the challenges of sustainable development, and taking into account developments since 1972, current structures and institutions in the economic,

¹⁰ Millennium Ecosystem Assessment, *Ecosystems and Human Well-Being: Synthesis* (Washington, D.C., Island Press, 2005).

¹¹ M. Swenarchuk, "International Environmental and Sustainability Governance: Options Beyond Institutional Reform", 2004. Available from www.helsinki.fi/netcomm/ImgLib/24/89/swenarchuk_paper_20041018.pdf.

¹² Sanjeev Prakash, "Poverty and environment linkages in mountains and uplands: reflections on the 'poverty trap' thesis", CREED Working Paper, No. 12 (London, International Institute for Environment and Development, February 1997), p 3.

¹³ Ibid, p. 23.

social and environmental fields, in addition to their respective links, need to be strengthened at the international, regional and national levels, so as to ensure coherence, integrate policies, limit overlap and strengthen implementation and accountability.

The Conference participants could take a two-step approach to strengthening the institutional framework for sustainable development. First, they could take a decision on the appropriate institutional arrangements for improving international environmental governance based on the broader institutional reform options identified in the Belgrade Process and the Nairobi-Helsinki Outcome as a contribution to the strengthening of the institutional framework for sustainable development. Second, as an overarching governance system for sustainable development will ensure the integration of the three pillars, a decision on reforming the institutional framework for sustainable development should also be made with a view to creating coherence between the three pillars across the United Nations system and thereby enhancing the implementation of sustainable development.