

**Second meeting of the Consultative Group
of Ministers or High-level Representatives
on International Environmental Governance**
Helsinki, 21-23 November 2010

Elaboration of Ideas for Broader Reform of International Environmental Governance

Information note from the co-Chairs of the Consultative Group

Issued without formal editing.

Summary

Following the invitation of the Consultative Group at its first meeting under UNEP Governing Council decision SSXI/1 in July 2010 in Nairobi, the co-Chairs, with the advice of the Executive Director of UNEP, prepared the following information note, elaborating upon the nine functional options that received general attention of the Group during the meeting.

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LIST OF ACRONYMS

ACC	Administrative Committee on Coordination
BSP	Bali Strategic Plan for Capacity-building and Technology Support
CBD	Convention on Biological Diversity
CDM	Clean Development Mechanisms
CEB	United Nations System Chief Executives Board
CITES	Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of Parties
CPR	Committee of Permanent Representatives
CSD	Commission on Sustainable Development
DAC	Development Assistance Committee
DOEM	Designated Official on Environmental Matters
ECB	Environment Coordination Board
ECOSOC	United Nations Economic and Social Council
EMG	Environment Management Group
FAO	Food and Agriculture Organisation
GA	General Assembly
GC/GMEF	Governing Council/Global Ministerial Environment Forum
GEF	Global Environment Facility
GEMS	Global Environment Monitoring System
GEO	Global Environmental Outlook
HLCM	High-level Committee on Management
HLCP	High-level Committee on Programmes
IAEMG	Inter-Agency Environment Management Group
IEG	International Environmental Governance
IFI	International Financial Institution
ILO	International Labour Organisation
IMF	International Monetary Fund
IMG	Issue Management Group
IPBES	Intergovernmental science-policy platform on biodiversity and ecosystem services
IPCC	Intergovernmental Panel on Climate Change
IPES	International Payment for Ecosystem Services
JIU	United Nations Joint Inspection Unit
MDG	Millennium Development Goal
MEA	Multilateral Environmental Agreement
NAPA	National Adaptation Programme of Action
ODA	Official Development Assistance

OECD	Organisation for Economic Cooperation and Development
PEF	Poverty and Environment Facility
PEI	Poverty and Environment Initiative
PES	Payment for Ecosystem Services
PIC	Prior Informed Consent (Rotterdam Convention)
POP	Persistent Organic Pollutants (Stockholm Convention)
PRS	Poverty Reduction Strategy
REDD	Reducing Emissions from Deforestation and Forest Degradation
SAICM	Strategic Approach to International Chemicals Management
SWMTEP	System-Wide Medium-Term Environment Programme
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WEO	World Environment Organisation
WFP	World Food Programme
WHO	World Health Organisation
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation

Introduction

The meeting document 'Elaboration of Ideas for Broader Reform of International Environmental Governance' is prepared in response to the request of the Consultative Group on International Environmental Governance in its first meeting held in Nairobi from 7-9 July 2010. The document draws upon its discussion during that meeting, to undertake further analysis on the options that received general attention of the Group, but noting that none of the options that were discussed have been ruled out at this stage.

The first draft of the document was circulated, through the Executive Director, for comments to governments on 7 September 2010. Inputs were also sought from civil society through the Secretariat. The co-Chairs have received comments from governments, UN entities and civil society and have attempted to reflect those comments in a balanced and forthright manner in the document.

Based on the comments received, the co-Chairs have undertaken a significant re-edit of the document to take into account the full breadth of views expressed. The Consultative Group may consider ideas for the broader reform based on this document at its second meeting on 21-23 November 2010 in Espoo (Helsinki), Finland.

The meeting document focuses on function aspects of broader reform which should be aimed at system-wide responses that collectively address the international environmental governance system in order to create greater efficiency, more effectiveness, enhanced coherence, the maximization of investment and the effectual response to country needs. These could include UN system-wide responses to, inter alia: a science-policy interface; a strategy for environmental sustainability; the clustering of Multilateral Environmental Agreements (MEAs); the widening and deepening of the funding base for the environment, including a financial tracking system; a capacity-building framework; and strategic engagement at the regional level.

The Consultative Group may also wish to note that further guidance from the co-Chairs is provided in the Executive Note.

Table of options and ideas for broader reform

Objectives	a) Creating a strong, credible and accessible science base and policy interface.	b) Developing a global authoritative and responsive voice for environmental sustainability.	c) Achieving effectiveness, efficiency and coherence within the United Nations system.	d) Securing sufficient, predictable and coherent funding.	e) Ensuring a responsive and cohesive approach to meeting country needs.
Functions	<ul style="list-style-type: none"> i. Acquisition, compilation, analysis and interpretation of data and information. ii. Information exchange. iii. Environmental assessment and early warning. iv. Scientific advice. v. Science-policy interface. 	<ul style="list-style-type: none"> i. Global agenda setting and policy guidance and advice. ii. Mainstreaming environment into other relevant policy areas. iii. Promotion of rule making, standard setting and universal principles. iv. Dispute avoidance and settlement. 	<ul style="list-style-type: none"> i. Coordination of policies and programmes. ii. Efficient and effective administration and implementation of MEAs. iii. Facilitating interagency cooperation on the environment. 	<ul style="list-style-type: none"> i. Mobilising and accessing funds for the global environment. ii. Developing innovative financing mechanisms to complement official funding sources. iii. Utilising funding effectively and efficiently in accordance with agreed priorities. 	<ul style="list-style-type: none"> i. Human and institutional capacity building. ii. Technology transfer and financial support. iii. Mainstreaming environment into development processes. iv. Facilitating South-South, North-South and triangular cooperation.
Macro level state and gaps	<p>Status</p> <p>Many institutional data and assessment mechanisms; several intergovernmental advisory bodies; some intergovernmental assessments.</p> <p>Gaps</p> <p>Lack of developing country capacity and representation; need for better interoperability and availability of data; inadequate overall governance of the science-policy interface.</p>	<p>Status</p> <p>High number of treaties; several intergovernmental bodies tasked with agenda setting; environment on the agenda of many policy sectors.</p> <p>Gaps</p> <p>Alarming gap between commitment and action; gap in developing country capacity; inadequate environment-development integration; a tight field of intergovernmental norm-setting bodies but no clear champion.</p>	<p>Status</p> <p>Several intergovernmental and interagency coordination bodies; some intergovernmental bodies for review of effectiveness; several arrangements for Multilateral Environmental Agreements (MEAs) administration.</p> <p>Gaps</p> <p>Inadequate policy and programme coordination; lack of systematic review of effectiveness; no overall approach to administration of MEAs.</p>	<p>Status</p> <p>Several global funds for different purposes; some markets for environmental services.</p> <p>Gaps</p> <p>No overall financial tracking system; weak links between governance of commitments and governance of funds; inadequate overall governance of funding system.</p>	<p>Status</p> <p>Several capacity building mechanisms; some financial support mechanisms; a few technology transfer mechanisms.</p> <p>Gaps</p> <p>Level of support does not match needs of developing countries; inadequate integration into development assistance; inadequate overall governance of support system.</p>

Objectives	a) Creating a strong, credible and accessible science base and policy interface.	b) Developing a global authoritative and responsive voice for environmental sustainability.	c) Achieving effectiveness, efficiency and coherence within the United Nations system.	d) Securing sufficient, predictable and coherent funding.	e) Ensuring a responsive and cohesive approach to meeting country needs.
Options	<p>1. Create a multi-scaled and multi-thematic global information network of national, international and independent scientific expertise for keeping the impact of environmental change on human well-being under review and issue early warnings. The network would be facilitated by a web-based facility for sharing of "live" information with the support from an interagency cooperation arrangement.</p>	<p>1. Establish a global policy organisation with universal membership to set, coordinate, and monitor the global environmental agenda.</p>	<p>1. Clustering secretariat functions and common service--- establish a mechanism for global, overall coordination among existing MEAs, with one mechanism having innovative tasks that are not performed by MEA Secretariats individually, and without prejudice to their decision-making and budgetary independence. This would include joint MEA institutional structures, including: 1. Secretariats, 2. Legal, financial and conference services, 3. Reporting, 4. Scientific structures, 5. Programmatic structures 6. Knowledge management and IT.</p> <p>2. Establish a UN system-wide medium-term strategy for the environment, coordinating all environmental activities for the UN.</p>	<p>1. Widen the donor base, e.g. establish mechanism for receipt of private/philanthropic donations.</p> <p>2. Establish a joint management mechanism for all major trust funds for the environment with equal roles for project selection, appraisal and supervision of environment-related activities, in accordance with the respective spheres of expertise.</p> <p>3. Link global environmental policy making with global environmental financing (originally b) 4).</p>	<p>1. Establish environment-development country teams and/or desk in existing intergovernmental offices in developing countries around the world.</p> <p>2. Develop an overarching framework for capacity building and technical assistance for the operational activities of MEAs, UN agencies and IFIs.</p>

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

Create a multi-scaled and multi-thematic global information network of national, international and independent scientific expertise for keeping the impact of environmental change on human wellbeing under review and issue early warnings. The network would be facilitated by a web-based facility for sharing of “live” information with the support from an interagency cooperation arrangement.

Status

The current environmental knowledge infrastructure spans across global, regional, national and local levels and involves many entities in the UN system. An analysis of how the infrastructure has evolved is presented in the note by the UNEP Executive Director “*Environment in the UN system*”.¹ The infrastructure today consists of a wide range of different institutional components which supports various stages in the interaction between science and policy making – the science-policy interface - including:

- *Acquisition of environmental knowledge and information*, which is achieved through research, monitoring, observations and modelling;
- *Information exchange*, which is achieved through information networks, platforms and management procedures;
- *Assessments and early warning processes*, which analyse data, information and knowledge stemming from research, modelling, monitoring and observations for the use of policy makers, including through the use of indicators;
- *Scientific and technical advisory and oversight bodies*, which consider assessment and early warning findings, commission studies, operate networks and advise their parent body.

UNEP Governing Council was, in 1972, assigned the responsibility for *keeping the world environmental situation under review* through mobilization of relevant expertise, and by financing, through the Environment Fund, monitoring, assessment, research and support to developing countries. As with the other functions and responsibilities assigned to UNEP, this responsibility was of a system-wide nature. Past efforts to implement these responsibilities include the establishment of the Earthwatch,² INFOTERRA,³ and the Global Environment Monitoring System (GEMS) of which only GEMS-Water currently exists⁴.

The efforts for keeping the environmental situation under review have expanded tremendously since then, amidst a growing awareness of the need to understand environmental change and its implications for human well-being.

The infrastructure is constantly evolving, something which is exemplified in the latest development in the *Global Environment Outlook (GEO) process*, the *Global Framework for Climate Services*⁵, the *intergovernmental science-policy platform on biodiversity and ecosystem services (IPBES)*⁶, and the *regular process for global reporting and assessment of the state of the marine environment (the Regular Process)*⁷.

Gaps

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.

An outstanding gap in the infrastructure is *a prevalent lack of shared science, of common science policy objectives, and of capacity in monitoring, data management, assessments and early warning systems*, particularly in developing countries and regions. This gap is coupled with:

- An often *inadequate representation* of developing countries’ interests in global science processes. Efforts to address these gaps has so far been too top down, too sporadic and too

disjointed to match the long-term efforts needed to sustain the evolution of national institutional infrastructures.

- *A lack of environmental data which is associated with an overall need for improved availability of and interoperability between data.* This hampers the further development of environmental assessments, indicators and early warning systems which can contribute to bridging the gap between science and policy.
- A situation where most thematic environmental issues, with a possible exception of climate change and depletion of stratospheric ozone layer, are inadequately covered by science-policy bridging institutions such as *international assessments, indicators and early warning systems.*

Description of option

This option involves the creation of a comprehensive global information network with the purpose of addressing the identified gaps in the environmental knowledge infrastructure. It would be built on existing structures combined with adequate capacity building measures, and developed through a strategic, systematic and adaptive incremental approach.

The overall *purpose of the global information network* would be to facilitate cooperation on acquisition, management, analysis and exchange of environmental information, further development of internationally agreed indicators, early warning, alert services, assessments, the preparation of science advice and the development of policy options.

Expected accomplishments from the global information network would include enhanced dissemination of data and information from the global observing systems and other global initiatives to the regional and national level and thus enhancing national and regional capacities. The network would address the knowledge infrastructure gap in developing countries, and enhance their capacity for identification of evolving national environmental priorities. The effectiveness and efficiency of participating institutions would be enhanced. The participating scientific networks, bodies and processes would benefit from the global information network through direct inputs and through improved assessments and indicators and enhanced national institutional capacities. Thus, the global information network would serve as a backbone of international environmental governance and be the knowledge foundation for *a global authoritative and responsive voice for the environment.*

The global information network would be initiated by a political decision recognizing the need for a long-term, step-wise process.

The global information network would by default be *multi-thematic*. This feature could be enhanced by networking the *functions*⁸ or *thematic areas* such as atmosphere and climate,⁹ land, desertification,¹⁰ freshwater,¹¹ marine ecosystems and biodiversity.

The first phase would facilitate the cooperation between existing networks, bodies and processes and establish the web-based platform for sharing the data and information. The global information network could be built by joining the national focal points from national information networks together in regional and possibly sub-regional networks as appropriate. Many such national and regional networks already exist, such as in Africa¹², the EU¹³, the United States of America¹⁴, Australia,¹⁵ Brazil¹⁶ and India¹⁷.

Existing global structures, bodies and processes which would be expected to take part in the network would include the scientific and technical advisory bodies of MEAs; the Intergovernmental Panel on Climate Change (IPCC), the GEO, the International Panel for Sustainable Resource Management, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES); the Global Earth Observation System; the UN Statistical division; members of the Environment Management Group (EMG); the international research community.;

The global information network would be supported by a *web-based platform* for sharing of up-to-date, dynamic ("live"), coherent and quality-assured priority data and information, indicators, early warning, alert services, analysis and assessments and best practices. The platform would incorporate the UNEP Global Environment Alert Service (www.unep.org/geas) and promote standards for searchability and comparison of data and information, such as through semantically-driven search tools.

The second phase would include a process for *identifying capacity building, technology support and data needs* and modalities for the enhancement and further development of regional and national networks.

Through the capacity-building component the countries with high levels of capacity could engage in a competence exchange with nations having the most need for capacity building. The capacity building component could also involve the development of a programme designed to address national needs and empower and strengthen existing institutional capacities and expertise in developing countries. It could be an integral element of the proposed system-wide framework for capacity building (proposed option E2) and thus be designed as being part of the UN Development Assistance Framework (UNDAF).

Financial and legal implications

The comprehensive global information network could be initiated by a decision of *the Governing Council of UNEP*. Such a decision should include a *long term vision and plan for the establishment and development of the global information network*. It should be based on *prior consultations* among member states¹⁸ with the view to identifying the key elements for implementation such as:

- *The structure of the global information network and modalities for advancing cooperation in the network*; because the network would build on existing networks, it would be necessary to identify what themes and functions to include.
- *Modalities for inviting focal points and for connecting relevant international and UN system entities to the global information network*, including a possible consortium arrangement for providing support to the management of the network and its capacity building component. Part of the modalities would be to identify roles, rights and obligations of partners.
- *Procedures, standards and specifications* for exchange of information, including: procedures for respecting ownership and intellectual property rights related to data and information; interoperability standards for data and information; and technical specifications for the network, including the specifications and support structure needed to maintain the "web-based platform".
- *Modalities for a coordination and management structure* of the global information network including consideration of global coordination function and how it could be performed.
- *The budgetary implications and funding arrangements for establishing and running the global information network*. During the first phase, there would be some costs related to the establishment of the global information network and for connecting existing networks, bodies and processes as well as for establishing the "web-based platform". The second phase would involve costs based on the identification of capacity building and data needs. The costs associated with running the global information network would depend on the modalities chosen for the coordination and support structure of the network.
- *The modalities of the capacity building component of the network*. Consideration should be given how the existing capacity building and technology support efforts could be utilised. The modalities for integrating the capacity building component of the network could be built into a system-wide framework for capacity building (proposed option E2). The UNDAF also needs consideration.

B. Developing a global authoritative and responsive voice for environmental sustainability.

Establish a global policy organization with universal membership to set, coordinate, and monitor the global environmental agenda.

Status

The world came together in Stockholm in 1972 for the United Nations Conference on the Human Environment (the 'Stockholm Conference') where it agreed that the world's environment needed a collective international response. During that conference a number of global initiatives were set up among them, and as central component of the global response, was the creation of UNEP with a global mandate as per the United Nations General Assembly (UNGA) resolution 2997 (XXVII) to be the authoritative institution and voice for environmental sustainability.

Since the adoption of this resolution and the establishment of UNEP, however, the global response to environmental challenges has grown in complexity to respond to the increasing and varied demands from the international community. The world has responded to these demands by investing considerable resources while creating numerous organizations and institutions and agreeing on a multitude of MEAs. There are 44 agencies in the UN system that are working on environmental issues. These include 45 MEAs having at least 72 signatory countries each and multiple funds and financial mechanisms. There is no longer one anchor institution with global oversight responsibilities that can make broad recommendations on priorities and guide inter-linkages between these multiple bodies and agreements.

It is the collective of these organizations, institutions and MEAs that constitute the current institutional environment system, the net outcome in global environmental terms has however not been positive. The world has continued to witness rapid environmental degradation, deforestation and deterioration in conservation capabilities.

The wisdom of the Stockholm Conference has now become self-evident, as the current IEG system of multiple institutions, organizations, and agreements has not resulted in the optimal environmental outcomes desired by the international community. It has, therefore, now become clear to the world that it needs a global authoritative and responsive voice for environmental sustainability. Equally important, this voice needs to be credible and empowered to deliver on its mandate.

Gaps

The most self-evident gap is the lack of a single authoritative and responsive voice for environmental sustainability.

The system is fragmented, inefficient, and is characterized by a blurred division of labor and unclear and duplicative mandates.

There exists no single institution or authority that provides global leadership for galvanizing political will, providing coherent policy guidance, framing international responses (in the vein of the Millennium Development Goals (MDGs), with regard to development), and providing a global monitoring and reporting framework. As a result there are alarming gaps in commitment and action.

Furthermore, the multiple individual institutions and organizations result in defused and incoherent leadership and undermine the ability of the IEG system to deliver results that are consistent with the demands of the international community. This has manifested itself in a number of ways:

1. the fragmentation of resource pools
2. lack of global policy coherence
3. duplication of efforts
4. lack of global prioritization of policy actions and resources
5. gaps in developing country capacity.

The existing “global authoritative voice” for environmental sustainability has rested with UNEP since its establishment in 1972. UNEP’s mandate under UNGA resolution 2997 (XXVII) is directly relevant to fulfilling three of the four functions identified by the set of options under the objective of developing a global authoritative voice for environmental sustainability. These are i) global agenda setting and policy guidance and advice ii) Mainstreaming environment into other relevant policy areas and iii) promotion of rule making, standard setting and universal principles.

UNEP, however, has not had the political, administrative and resourcing support required to exercise this mandate. Furthermore, UNEP has lacked the collective governance platform, availed to other UN agencies and organizations who act as a global authoritative and responsive voice in other thematic areas, which includes a governing council with the authority and credibility based on universal membership.

Universality is a key to ensuring that an organization can work system-wide to promote collaborations and continuity in the UN. Universality is important because of the necessity to have the political weight to make recommendations to other agencies and to the conference of the parties of MEAs where most of the policy domain now lies compared to 1972. It must also have the resources to act. This means it must be recognized that its role is to coordinate activities through setting the environmental agenda for the UN system, making periodical reviews of the UN agencies environmental programmes, reviewing the implementation of MEAs at the national level and making recommendations from a holistic angle on priority areas and key interlinkages between environmental policy areas. Though the quality and the relevance of policy advice is always a consideration so too is legitimacy. A body which has full representation will have more legitimacy and impact than if the advice were coming from a body of limited membership.

Description of option

Developing a global authoritative voice for environmental sustainability is a key outcome for the IEG process. Without such a reform the ability to provide coherent and effective global leadership for environmental sustainability may not be realized. During the Belgrade process various options for broader institutional reforms were put forward, namely:

- i. enhancing UNEP;*
- ii. a new umbrella organization for sustainable development;*
- iii. a specialized agency such as a world environment organization;*
- iv. possible reforms to the Economic and Social Council (ECOSOC) and the Commission on Sustainable Development (CSD); and*
- v. enhanced institutional reforms and streamlining of present structures.*

Financial and legal Implications

The first option of enhancing UNEP would involve expanding the UNEP Governing Council to universal membership and it is explored under the assumption that it would remain a subsidiary body of the UNGA. Article 22 of the Charter of the United Nations states: “The General Assembly may establish such subsidiary organs as it deems necessary for the performance of its functions.” There is no provision in Article 22 that stipulates that the subsidiary body must be established with a certain membership. Therefore, legally, a UNGA resolution could set up UNEP to have universal membership and there are some clear examples of subsidiary bodies that have been set up under the UNGA that have universal membership.¹⁹ It should also be noted that universal membership does not legally require that the new body have assessed contributions.²⁰

Universal membership might require amendments to certain provisions of the rules of procedure of the UNEP Governing Council, such as the quorum for meetings. It may also require a change in mandate of the Committee of Permanent Representatives (CPR) and revised mandate for any executive body that would be set up under the new universal body. Bodies such as the CPR could be established by the new universal body itself and would necessarily be part of a resolution by the UNGA. Most of the rules will, however, not need to be changed.

The expansion of the body to universal membership does not necessarily require that embassies be established in Nairobi. The Governing Council with universal membership could have a mandate to meet and deliberate issues once a year or once every two years. The frequency of the meetings would therefore be similar to that of the current schedule of the Global Ministerial Environment Forum (GMEF) yet its focus and decision-making would be changed to reflect that of a governing assembly. During intersessional periods the CPR could act as the executive body, reviewing decisions and making recommendations for its agenda.

In accordance with UNGA resolution 2997 (XXVII), the costs of servicing the Governing Council are borne by the regular budget of the United Nations. Since the sessions of the Governing Council had been designed to take into account participation of non-members as well as members, it is foreseen that the change in membership would only marginally increase the costs for servicing the Governing Council/ Global Ministerial Environment Forum (GC/GMEF), since these costs normally relate to the production and distribution of documentation, interpretation, conference facilities, etc. As documentation, in compliance with the rules of procedure of the GC/GMEF, is already being provided to all member states of the United Nations, the volume would remain largely the same and few, if any, additional costs are anticipated. Similarly, meetings of the GC/GMEF already have full interpretation services in all United Nations languages hence no additional costs should be incurred in this regard. The conference facilities currently used by both UNEP and UN-HABITAT in Nairobi have proved adequate for meetings of such large bodies as the meetings of the conference of parties to the UNFCCC, the Convention on Biological Diversity (CBD) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) have shown.

Moreover, in accordance with the rules of procedure of the Governing Council, notifications of sessions of the Governing Council and all official Governing Council documents are formally distributed to all member states of the United Nations through official channels of communication. Under rule 7 of the rules of procedure, the Executive Director is required to communicate the date of the first meeting of each session of the Governing Council to all member states of the United Nations. Rule 64 requires the secretariat to distribute to all members of the Governing Council and any others participating in the session the text of resolutions, recommendations and other formal decisions adopted by the Governing Council, its sessional committees and other subsidiary organs. Under the same rule, the secretariat is required to distribute the printed text of such resolutions, recommendations and other formal decisions, as well as the reports of the Governing Council to the General Assembly, and after the close of the session, to all member states of the United Nations. Hence, a change in the membership will not entail any increased load in the distribution of documents.

The legal and financial implications of a specialized agency for the environment with universal membership are set out in the secretariat document 'Annotated table of broader IEG reform in a standardised format', Article 57 and 63 are the relevant articles under the UN Charter for specialized agencies. Under these articles a specialised agency would be established that would have a universal body. Such a body would be autonomous and have its own legal authority and status. It could be linked to the United Nations through Article 63 of the UN Charter and mandated to be the authoritative voice for the UN system and fulfill the functions of the IEG system as set out under the 'Belgrade Process'. A reporting function to the UNGA could be set up under this article as well as the requirement to coordinate its activities through ECOSOC, one of the principle organs of the UN. Normally the agreements that set up specialized agencies under Article 63 also refer to aspects related to membership, cooperation with other specialised agencies, non-voting participation and budget and finance. The legal personality and the degree of autonomy of the specialised agency are dependent on the specific provisions in the instrument establishing the agency.

A universal body would follow a similar pattern and structure of other specialised agencies. Most agencies have some form of balance between universality whereby all the members are expected to participate in a general council or assembly and a smaller representative executive body that works inter-sessionally on necessary matters.

The core funding of specialised agencies is generally through assessed contributions which is normally based on the UN rating system and calculated on the basis of countries' national income.

The two options of (ii) a new umbrella organization for sustainable development and (iv) possible reforms to ECOSOC and the CSD would best be addressed within the context of the UNGA and the Rio+20 Process and therefore are not explored under this section. Likewise, enhanced institutional reforms and streamlining of present structures would not require the formation of new structures that have universal membership and therefore are also not discussed here. There would, however, be certain financial implications if there were an enhancement of institutional reforms and streamlining of present structures. Most of these implications could be funded through an arrangement based on existing financial elements of the organisational structures. A key consideration for such arrangements would be to increase the net benefits towards addressing the environment pillar of sustainable development and enhancing human well-being.

C. Achieving effectiveness, efficiency and coherence within the United Nations system.

C1: Clustering secretariat functions and common services--establish a mechanism for global, overall coordination among existing MEAs, with one mechanism having innovative tasks that are not performed by MEA Secretariats individually, and without prejudice to their decision-making and budgetary independence. This would include joint MEA institutional structures, including: 1. Secretariats, 2. Legal, financial and conference services, 3. Reporting, 4. Scientific structures, 5. Programmatic structures 6. Knowledge management and IT.

Status

There have been impressive developments at the multilateral and global level in developing a vast array of legal agreements to address the world's most critical environmental sustainability problems. Similarly, there have been important innovations in creating associated international, institutional and organisational capacity. However, the sheer number of MEAs, many of which have their own administrative and governance structures, poses a significant challenge for implementing the MEAs in a coherent, efficient and effective manner.

Lack of cooperation and coordination among MEAs, including those administered by UNEP, has significant, system-wide consequences for the efficiency and effectiveness of the IEG system. This challenge has been recognized and addressed by, inter alia, UNEP's Governing Council. At its ninth session in February 1999, the UNEP Governing Council called upon parties to the MEAs *'to give due consideration to ways and means to strengthen coherent interlinkages among relevant conventions'* Furthermore, at its seventh special session in February 2002, the GC/GMEF adopted the following recommendations on MEAs (UNEP/GCSS.VII/6):

*'[...] considerable benefits could accrue from a more coordinated approach to areas such as scheduling and periodicity of meetings of the conferences of the parties; reporting; scientific assessment on matters of common concern, capacity-building, transfer of technology; and enhancing the capacities of developing countries before and after the entry into force of legal agreements to implement and review progress on a regular basis by all parties concerned [...].'*²¹

Several MEAs carry provisions for collaboration with other conventions and agreements and have adopted joint work programmes and memoranda of understandings/cooperation with other conventions and mechanisms.²² For example, a range of activities promote synergies between the three Rio Conventions (CBD, UNFCCC, UNCCD), including a joint liaison group, established in 2001, and a joint web-based calendar of events. In addition, various decisions by conferences of parties to the biodiversity-related conventions²³ have requested the continuation of the work on harmonisation and synergies.²⁴

Clustering of thematically related MEAs has been highlighted numerous times as a bottom-up solution for increasing coherence in the IEG system. Significant work has recently been done to enhance synergies of three conventions in the chemicals and waste cluster (the Basel, Rotterdam and

Stockholm Conventions). The process began in 2006 with the establishment of an *ad hoc* joint working group (AHJWG) among the three conventions. The recommendations from the AHJWG were adopted in decisions by the Basel, Rotterdam and Stockholm conferences of the parties in 2008 and 2009. Pursuant to those decisions, simultaneous extraordinary meetings of the three conferences of the parties convened from 22-24 February 2010, in Bali, Indonesia. Decisions were taken on joint services, joint activities, synchronisation of the budget cycles, joint audits, joint managerial functions, and review arrangements.²⁵

Parties have stressed that it is important that the identification and implementation of synergies needs to be conducted in accordance with identified needs at national, regional and international levels, against the backdrop of ongoing processes and available resources of each MEA.

Gaps

While the MEA secretariats have distinct mandates and functions, there is also a core of similar experiences, tasks, and strategies that could benefit from better coordination through integrated service provision. Of particular interest are the tasks performed by the secretariats and how each secretariat deals with administrative and financial services and functions on the one hand and support to programmatic work, on the other. The Joint Inspection Unit (JIU) report notes that the IEG system “continues to suffer from inadequate coherence and coordination due to the lack of a framework for common administrative, financial and technical support services to promote synergies between United Nations agencies and MEAs.”²⁶

A recent workshop on synergies among biodiversity related MEAs concluded that more work was needed to address challenges which remain, such as certain overlapping efforts and conflicting agendas, occasionally inconsistent rules and norms, an overwhelming meeting schedule and reporting burden and insufficiently coherent decision-making. Coherent and effective implementation of multilateral environmental agreements at the national level is likewise impaired, especially for developing countries.²⁷

Description of option

This option addresses enhancing cooperation and coordination among MEA secretariats in specific areas where common issues arise. Clustering services and functions among convention secretariats would enhance the secretariats' ability to comprehensively and cohesively support countries in their implementation of MEAs. It would also provide the infrastructure for developing and increasing networking between the secretariats. Joint services and functions include, but are not restricted to: financial, administrative and legal services, information technology, outreach and resource mobilisation services.

Parties would participate in identifying activities that would benefit from joint action as circumstances are not static and activities that will benefit from coordinated implementation will change and evolve over time. It is, therefore, neither practical nor necessary to enumerate definitively at the outset those activities that would be the subject of coordinated action and those that would not.

Some examples of arrangements that could be jointly undertaken include, but are not limited to:

Reducing the number of meetings by holding joint (either back-to back or simultaneous) conferences of the parties and providing joint conference services

Coordination of communicating scientific findings and information - deeper scientific connections between MEAs is a fundamental basis for synergies and interlinkages and ensuring that the parties are kept up-to-date as new information emerges is also a responsibility of the secretariat. Though various individual arrangements exist in different MEAs to ensure proper scientific input into the decision-making process, this could be enhanced and streamlined by establishing a hub that coordinates and harmonises the various arrangements for providing scientific advice to various MEAs. This issue is connected to part A.

An effective way to provide coordinated information may be by establishing an information hub to distribute user defined information, manuals, training kits and any relevant data required to facilitate synergy. There are a large number of information initiatives relevant to MEAs that are carried out by national governments and academic institutes, NGOs, convention processes, and global and regional intergovernmental organisations, including the multilateral development banks. A systematic approach might organise these resources not only convention by convention but rather by country and region in relation to environmental conditions and trends and by ecosystem type, sector/activity, and thematic area in relation to response options.

Capacity building and resource mobilisation – lack of capacity and resources are among the primary obstacles to implementing MEAs and this is an area where pooled efforts would be cost-effective and where practical gains might be achieved through coordinated mobilisation of technical and financial support, passed on to the conventions to enhance implementation. For example, implementing MEAs as part of UNDAF activities could ensure that attention is being paid to national commitments when developing environmental projects.

Functional administrative clustering could be facilitated by a mechanism for providing common services (without affecting the decision-making authority of the conference of parties) for MEAs. As in the example of the chemicals and waste conventions, the cluster could be overseen by a “Joint Head” (see Figure 1). The primary role of the coordinating body would be to enhance economies of scale, ensure that the MEAs receive sufficient administrative support and that any savings achieved are directed toward supporting Parties to implement their conventions.

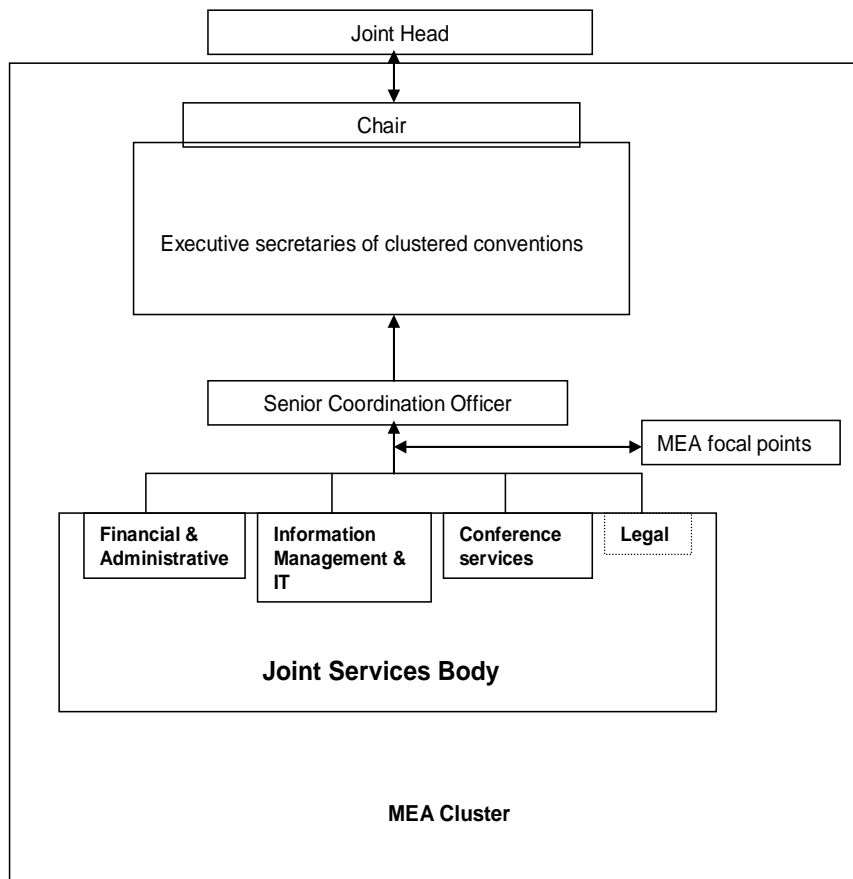
In this model, the head of the designated coordinating body²⁸, in consultation with the executive secretariats of MEAs within the cluster, would establish joint management involving the heads of conventions for joint services and joint activities. Depending on the decisions taken by participating conferences of parties, joint management could take various forms, including a system of rotating management or individual joint services to a particular convention. The feasibility and cost implications of joint management should be analysed to select the optimal arrangement for synergies. Options suggested for cooperation and coordination among the conventions would seek to:

1. avoid unnecessary bureaucratic layers;
2. avoid that current staff confines their interaction to their respective secretariat, (i.e. that they are conversant with the other conventions in the cluster);
3. design flexible solutions;
4. keep technical staff fully operational and fully supported by the joint services; and
5. avoid additional burden for the heads of the secretariats.

In the case of the chemicals and waste conventions, in response to invitations from the conferences of parties, the Executive Director of UNEP and the Director-General of FAO, together with the Executive Secretaries of the three convention secretariats, established an interim Joint Services Section, a Synergies Oversight Team and a Joint Coordinating Group.

The Joint Services Section was established in June 2009 and comprises five separate units that provide joint financial and administrative services, including support services; joint resource mobilisation services; joint legal services; joint information technology services; and joint information services.

Figure 1: Organigram for possible arrangement of joint services management



Financial and legal implications

The conferences of parties are autonomous decision making bodies of MEAs and therefore decisions to further synergies are taken by each specific conference of parties. The process is therefore bottom-up and driven by the Parties to the convention.²⁹ Efficiency gains in the longer term can be expected from providing joint services and functions among MEA secretariats. A global mechanism for overall coordination can add value to the existing system by performing innovative activities that are currently not being undertaken such as annual global cluster coordination meetings, overall integrated assessments of MEA national reports, and support to national integrated MEA implementation.

Similar to the process in the chemicals and waste synergies process, if a decision is taken to cluster a set of conventions, the feasibility and cost implications of establishing joint coordination, will need to be assessed. The costs will depend on the type and extent of clustering that takes place. An analysis of the chemicals synergies process revealed that the cost for implementing the decision was equivalent to 7% of the combined biennial core budgets. While enhancing cooperation and coordination does not necessarily lead to immediate cost savings, it is realistic to think that the synergies work would be cost-neutral in the long run. For example, there is already marked improvement in efficiency in capacity building activities, e.g. that the Rotterdam and Stockholm Conventions are now able to do four times more workshops jointly with the same resources. Therefore, the potential exists to increase efficiency by redirecting resources from administration to implementation, and the reallocation of resources to facilitate national implementation is likely to provide cost-benefits in the long term.³⁰

Any attempt to integrate elements of MEAs needs to be based upon the analysis of a range of factors that influence the prospects of such integration (including overlap of membership and issues, practical feasibility, legal obstacles, and functional requirements). Drawing from the experiences of the chemicals synergies process, important considerations for any synergies process are:

- the process is party driven and should strengthen implementation on the ground;
- the agreements forming a cluster need to include enough common elements, be it programmatic, administrative or other;
- the number of agreements included in the process is directly connected to the complexity of the process;
- the legal integrity of each agreement must be respected throughout the process.

It is important to note that the focus is on clustering of administrative functions so as to improve efficiency in the operations of the MEA secretariats in a given cluster. Potential efficiency gains derived from economies of scale will be channelled back to the Parties to facilitate the implementation of commitments by States. This type of clustering would require individual decisions by the relevant conferences of parties but would have no bearing on their autonomy. Therefore, 'effectiveness' of the conferences of parties could be enhanced by using savings gained from the provision of joint services but this would depend on the mechanisms put in place for countries to fulfil their environmental commitments. Enhancing cooperation and coordination among MEAs forms an essential part of a broader strategy for coordinated action for the environment.

C2. Establish a UN system-wide medium-term strategy for the environment, coordinating all environmental activities for the UN.

Status

As has been noted in previous sections, coordination and coherence are essential for a functioning IEG system due to the interdependence and inter-sectoral nature of global environmental systems. How the IEG system is coordinated will also have implications for how data and information are transmitted throughout the system, the integration of policy responses, the distribution of financial resources, and the identification of priorities that are linked to meeting the countries' needs. In 1972, a System-Wide Medium-Term Environment Programme (SWMTEP), backed by several coordination mechanisms, was put in place.³¹ The Environmental Coordination Board (ECB) was established in 1972 by UNGA Resolution 2997 (XXVII) and constituted the Executive Heads of UN agencies, chaired by UNEP's Executive Director, who were tasked with ensuring cooperation and coordination among all bodies involved in the implementation of environmental activities and to report annually to UNEP's Governing Council. In 1978, the Administrative Committee on Coordination (ACC) assumed the functions and responsibilities of the ECB (General Assembly resolution 32/197 VII). Subsequently, each agency appointed a Designated Official on Environmental Matters (DOEM), to work with and advise UNEP's Executive Director.

In the follow-up to the 1992 Rio Earth Summit, the ACC decided to establish a Task Force at the level of Executive Heads of FAO, UNESCO, WHO, the World Bank, WMO, UNDP and UNEP, with UNCED as an ex officio member, to consider UNCED follow-up issues. This led to the establishment of the Inter-Agency Committee on Sustainable Development (IACSD) to identify major policy issues relating to the follow-up of UNCED and advise ACC on ways and means of addressing them so as to ensure effective cooperation and coordination of the UN system in the implementation of Agenda 21.

In 1995, UNEP abolished the DOEM and substituted it with the Inter-Agency Environment Management Group (IAEMG). The IAEMG was conceived as a mechanism to provide UNEP with an effective and strong coordinating role within the UN system on environmental matters. This group only met twice before being replaced by the Environment Management Group (EMG) in 1999.³²

In October 2001 the General Assembly established the UN System Chief Executives Board (CEB) for Coordination³³ - replacing the ACC - and three committees: the High-level Committee on Programmes (HLCP); the High-level Committee on Management (HLCM); and the United Nations

Development Group (UNDG).³⁴ The CEB disbanded IACSD and took steps to establish and strengthen inter-agency collaborative arrangements in the key areas of fresh water, sanitation, energy, oceans and coastal areas, and consumption and production patterns. The CEB identified 27 collaborative initiatives by United Nations organisations to achieve the Millennium Development Goal 7, to “ensure environmental sustainability” (JIU report).

While the Environmental Coordination Board was part of the overall coordination mechanism of the UN system, the EMG focuses on time-bound issues and is not a formal part of the Secretary General’s coordination mechanism, which is performed by the CEB.

The discontinuation of some of these mechanisms and the evolution of others is due to the changing scope and nature of environmental issues and to a certain extent has mimicked the complexity and diversity of environmental issues themselves. The UN’s approach to addressing environmental issues has been based more on ad hoc responses at the agency level than on a deliberate strategic systemic direction. In 1998, the UNGA discontinued the United Nations’ four-year Medium-term Plan the successor document - the Strategic Framework for the periods 2008-2009 and 2010-2011 - is not a system-wide instrument. Consequently, the SWMTEP, which constituted an integral part of the Medium-term Plan, lost its system-wide scope.³⁵ UNEP is theoretically the lead agency for policy coordination, however, in practice has a mandate that overlaps with those of several other UN agencies that tend to make their decisions independently – guided by their governing boards or councils. UNEP has neither real authority to set the agenda nor resources to play a major role across the full range of environmental issues. The result is often fragmentation and inconsistency.

Gaps

It is acknowledged that there are a variety of mechanisms in the UN system addressing cooperation and coordination in the field of environment. The undg aims at improving the effectiveness of UN development work at the country level, involving the Resident Coordinator System, the Common Country Assessments (CCAs) and the UNDAF. The EMG addresses specific environment and human settlement issues and acts as a platform for more strategic interaction and networking (identification of gaps and needs, enhancing information exchange and exchange of best practices).

Despite iterating mechanisms for coordination, challenges still remain. There is still inadequate policy and programme coordination and a lack of systematic review of effectiveness. There are gaps in international policy, fragmentation of effort, and sometimes competing or incoherent decision-making structures.

As stated in the Secretary General’s High Level Panel Report, “the UN’s work on development and environment is often fragmented and weak. Inefficient and ineffective governance and unpredictable funding have contributed to policy incoherence, duplication and operational ineffectiveness across the system. Cooperation between organisations has been hindered by competition for funding, mission creep and by outdated business practices.”³⁶

The JIU report also states, “[l]ack of distinction and coordination between sustainable development and environmental protection in the work programmes of the United Nations organisations has been a major source of duplication and fragmentation of their work, which Member States need to tackle.” Furthermore, the “international environmental governance system continues to suffer from inadequate coherence and coordination due to the lack of: (a) a common mechanism to resolve contradictions among MEAs; and (b) a United Nations system-wide planning document on environmental assistance.”³⁷ The report concluded that there is still a need for a results-based, strategic, system-wide planning and management approach to remedy the fragmentation of the environmental management system within and outside the United Nations system.³⁸

A significant part of the challenge, as demonstrated by the constantly evolving mechanisms for decision-making, is that environmental governance takes place in the context of a rapidly changing world that necessitates balancing all three pillars of sustainable development.

Description of option

The option is proposed in line with recommendations 2 and 3 of the JIU report, which states:

Recommendation 2:

The General Assembly should consider adding a system-wide policy orientation for environmental protection and sustainable development of the United Nations system in the United Nations Strategic Framework for the biennium programme plan; and in the event of this decision, should request the Secretary-General to prepare such a system-wide orientation for its approval through the Chief Executives Board.

Recommendation 3:

The General Assembly should also decide to authorise the UNEP Governing Council/Global Ministerial Environment Forum to adopt the Medium-Term Strategy of UNEP as a system-wide instrument constituting an integral part of the United Nations Strategic Framework.³⁹

Upgrading the United Nations Strategic Framework to incorporate long-term objectives and a system-wide Medium-Term Environmental Strategy to a system-wide instrument would allow the integration of the strategic goals of environment-related organisations into a single framework for environment in the context of sustainable development. The aim of a system-wide strategy is thus to increase coherence of environmental cooperation at interagency level and to develop a division of labour that identifies and leverages the comparative advantages of different agencies and maximises the UN's impact within the context of the sustainable development agenda.

The strategy could be developed by the Secretary General through the EMG to ensure the participation of all agencies involved in environmental activities. When devising the strategy as a planning instrument, form should follow function. This means that the strategy should be designed in such way that it would ensure sufficient ownership in all parts of the UN-system, including the various constituencies that govern the system. A recommendation to the UNGA by the GC/GMEF on the need for such a system-wide strategy for environment could facilitate the adoption of a relevant resolution.

It should be noted that the General Assembly has already, through resolution 62/208, underscored “the importance of ensuring that the strategic plans of funds and programmes are consistent with and guided by the comprehensive policy review, which establishes the main intergovernmentally agreed parameters of the operational activities for development of the United Nations system; and has requested the Secretary-General, “to report to the General Assembly on the implications of aligning the strategic planning cycles of the United Nations funds and programmes with the comprehensive policy review and to provide recommendations on changing the comprehensive policy review from a three-year to a four-year cycle [...]”⁴⁰

It is also imperative that the CEB High-Level Committee on Management considers this recommendation and the timeframe for its implementation. The CEB could also offer a venue for identifying priorities, and could coordinate interagency collaboration with respect to the overall environmental strategy – within the wider sustainable development context. The identification of priorities would have to involve far-reaching external consultations conducted by agencies individually. The CEB could ensure that the agencies' own strategic priorities are sufficiently taken into account and ensure that networks do not work at cross-purposes with existing priorities.

Financial and legal implications

As described above, arrangements of this kind are not new and would build on existing strategies. Adoption of a system-wide strategy for environment would require a General Assembly resolution. In practise, developing the strategy would require extensive consultation among the relevant agencies. This implies both to the substance as well as for procedural questions such as how the different

planning cycles of UN entities could be adjusted to the rhythm of the environment strategy. As stated by the CEB in response to recommendation 3 of the JIU, “organisations agree that it is sensible to have a system-wide strategy but point to the need for broader/inclusive participation in the preparation of such a strategy by all relevant organisations.”⁴¹ Costs of developing such a strategy would be low and related to costs of holding consultations.

Establishing a system-wide strategy for prioritisation and coordination of activities should result in efficiency gains. If properly designed and adopted, such a strategy would minimise competing policies and duplication of activities and would enable agencies to focus on their areas of comparative advantage. It is also important to realize the synergies between the proposal on system-wide strategy for environment and the proposal on developing a comprehensive financial tracking system (Option D2) as the strategy could also provide a framework for reporting on expenditure.

D. Securing sufficient, predictable and coherent funding.

Status

The challenge of securing sufficient, predictable and coherent funding to promote environmental sustainability is as much a condition of resource availability as it is dependent on whether these resources are used efficiently and effectively. For environmental programs supported by both national and international agencies to succeed funding must be sufficient, predictable and provided within a coherent framework.

As the world has come to understand the development challenge related to environmental sustainability, the international community has begun to find the political will to provide targeted funding for aspects of environmental sustainability. Recent global investments in REDD+ and the GEF-5 replenishment effort are exemplary indicators that this political will exists and manifests itself in increased funding for the environment.

However, the challenge remains to determine if these resources are: i) sufficient to meet the growing global demands of environmental sustainability and, ii) whether they are new and additional. Furthermore, the funding mechanisms for disbursement of these funds have yet to be determined and therefore the amounts, predictability of the funds and the coherence of the mechanism remain unknown.

According to the OECD Development Assistance Committee (DAC) statistics there is approximately \$13 billion being spent directly on the environment from ODA.⁴² Statistics for multilateral aid for the environment are virtually unavailable or piecemeal apart from estimates, but donor countries spend on average between 2-3% of their ODA on supporting multilateral organizations and global funds in support of the environment. This estimate includes environmental activities under the World Bank and UNDP which have by far the highest budgets for the environment and other agencies working on the environment such as UNEP, FAO, UNESCO and WHO and that of many MEAs. There are a number of global funds for the environment, the majority of which have been set up to address climate issues, but in doing so many of the climate funds also address forest issues, biodiversity and land degradation. A detailed analysis of the global funds that have been set up over the course of years for different purposes can be found in Chapter V. of the background paper for the first meeting of the Consultative Group, entitled ‘*Environment in the UN system*’. (This paper is a living document, developed by the Environment Management Group and currently undergoing its seventh revision.)

There is no one central body that coordinates multilateral aid for environment and each organization and fund uses their resources according to their respective mandates. The OECD DAC provides guidance to countries on ODA policies including on questions such as enhancing aid effectiveness, harmonizing funding procedures, setting donor and recipient guidelines and providing the best available aid statistics also for the environment. Financing for many of the major MEAs and environmental issues is provided through the GEF and indeed the GEF was established “as one of the principal mechanisms for global environment funding”.⁴³ As a financing entity, GEF has become

de facto the most significant financial mechanism that cuts across environment issues and is growing in scope.

Regarding the funding from the private sector, these resources remain a very small component of overall funding. Constraints to effective, diversified fundraising have included insufficient knowledge in the secretariats of the new aid modalities and instruments, such as global funds and other public-private partnerships, or policy constraints in accessing such instruments.

Gaps

- There is insufficient funding for environmental sustainability demands. Therefore, a significant resource gap exists whereby, for example, \$13 billion is currently being spent directly on the environment from ODA, whereas Agenda 21 states that the average annual costs (1993-2000) of implementing in developing countries the activities in Agenda 21 to be over \$600 billion.
- With regard to predictability the operational gap revolves around the need for sufficient multi-year funding that allows for medium to long term planning with a coherent system-wide framework.
- The current IEG system is highly fragmented and is operationally incoherent. A gap exists in the way resources are raised/mobilized and accounted for thus compounding the difficulties of providing sufficient and predictable funding and proper accounting of the effective uptake and use of these resources. The lack of system-wide policy and programme coherence further compounds this problem.
- The fragmentation of governance in the sphere of environment manifests in the multiplicity of organization with separate and distinct Governing Councils, conferences of parties, meetings of parties, etc. and this continues to pose difficulties in ensuring effective international governance of commitments as well as effective governance of resources and programmes. This 'governance gap' may need to be addressed to ensure the securing of sufficient, predictable and coherent funding.
- Developing targeted new schemes for fundraising and increasing private voluntary contributions through non-governmental channels is a key component of meeting the increasing demands for environmental funding.

D1. Widen and deepen the funding base.

Description of option

A widened and deepened funding base aims to raise additional resources. Resources should be provided to countries in an effective way and should be linked to results. Success in implementing globally agreed environmental goals rests largely upon the ability of countries to mobilise the necessary resources. Therefore, there is a need to diversify the resource base and to determine the contribution of new funding sources to financing for environment in order to enhance the prospect of implementation. There is also the need to complement formal institutional arrangements with informal ones. Bringing together international institutions, civil society, national governments, and private sector organisations can be an important part of achieving sustainability.

Widening and deepening the funding base includes:

- deepening the resource base through stronger and more predictable partnerships with major donors;
- new approaches for pooling private and public revenue streams to scale up or develop activities for the benefit of partner countries;
- new revenue streams (e.g. charges, fees, taxation, bond raising, sale proceed or voluntary contribution schemes) earmarked to developmental activities on a multi-year basis;
- new incentives (financial guarantees, corporate social responsibility or other rewards or recognition) to address market failures or scale up ongoing developmental activities.

The UN has developed mechanisms for both clarifying partnership 'ground rules' as well as mitigating potential partnership risks, including comprehensive screening services as well as the development and refinement of a set of system-wide "Guidelines on Cooperation between the United Nations and the Business Sector". Moreover, many individual Agencies, Funds and Programmes have developed their own guidelines that fit their specific needs, mandates and limitations.⁴⁴ There are many successful models of innovative financing that have been developed both in the environment sector and outside of the environment sector which could be tapped into and further developed. (See Box 1).

BOX 1: UNITED NATIONS PARTNERSHIP "PIONEERS" AND INNOVATIVE PARTNERSHIPS AND INITIATIVES

Establishment of REDD+: Reducing Emissions from Deforestation and Forest Degradation (REDD) is an effort to create a financial value for the carbon stored in forests, offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. "REDD+" goes beyond deforestation and forest degradation, and includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.

It is predicted that financial flows for greenhouse gas emission reductions from REDD+ could reach up to US\$30 billion a year. This significant North-South flow of funds could reward a meaningful reduction of carbon emissions and could also support new, pro-poor development, help conserve biodiversity and secure vital ecosystem services.

Environment/Innovative Initiatives: including examples on market based mechanisms such PES and CDM. Payments for ecosystem services (PES) schemes have shown promise in providing additional financing for environmental activities. The basic premise of such schemes is that those who benefit from nature's services should pay those who shoulder the cost of ensuring the provision of the ecosystem services in question. The carbon market is the most developed form of PES operating at the international level. The Clean Development Mechanism (CDM) under the United Nations Framework Convention on Climate Change (UNFCCC), where projects that deliver carbon offsets in developing countries receive payments from carbon emitters in developed countries, can be seen as an international PES (IPES).

UNICEF has developed a detailed organisational strategy for partnerships and collaborative relationships and, among many other activities, pioneers cause-related marketing among the United Nations family, generating about 40% of its total corporate fundraising revenue from this type of partnership activity. To further optimise results from cause-related marketing, UNICEF engages in an ongoing process to refine its methods and processes for campaign development.

UNDP is a partnership leader in developing business and cultivating inclusive markets. The "Business Call to Action" platform and the Growing Sustainable Business Initiative are some of its recent successful multi-stakeholder partnership initiatives to encourage innovative business models that create economic and developmental benefits.

UNHCR spearheads UN-business cross-fertilization on the organisational level. Since 2005, the UNHCR Council of Business Leaders, a network of major multinational corporations, works alongside UNHCR to leverage specific corporate core competencies with a view to helping UNHCR become a more efficient and effective organisation, and to raise public awareness of forcibly displaced people.

WFP has been leading the way in developing partnerships which harness contributions of corporate core competencies, products and services to achieve development results that benefit both parties, for example through its Moving the World partnership with TNT. Through the partnership, TNT provides tangible support for humanitarian aid operations through multiple activities. Meanwhile, partnering with the WFP enables TNT to boost its brand and reputation by showcasing its logistical prowess and good corporate citizenship, as well as to motivate TNT employees.

UNAIDS is considered the leader in advocacy partnerships, harnessing the contribution of a wide range of stakeholders through its staff working at national, regional and global levels. Innovative advocacy partnerships include a goodwill ambassador scheme, under which celebrities voluntarily raise awareness of AIDS issues. UNAIDS also has key partnerships with the World AIDS Campaign (founded by UNAIDS and now an independent NGO), with trade unions in many countries, and with parliamentarians through the International Parliamentary Union.

Health/Partnerships: The Global Alliance for Vaccines and Immunisation (GAVI) in 2000; the Global Fund for AIDS, Tuberculosis, and Malaria in 2002; UNITAID in 2006. Each took advantage of the upsurge in private philanthropy for development, particularly through the Gates Foundation, to create a new type of public-private partnership (PPP) that would fund major disease-fighting campaigns in developing countries. The World Health Organisation estimates that between 2000 and 2008, GAVI support has prevented 3.4 million future deaths, protected 50.9 million additional children with basic vaccines, and protected 213 million additional children with new and underused vaccines.⁴⁵

Financial and legal implications

Establishment of innovative financial mechanisms often requires a concerted institutional push. In other words, raising awareness for environmental issues and building relationships with businesses and foundations will require significant amounts of time and trust if this type of funding is to be sustainable. Often, philanthropic donations are a one-off and can be used to fund specific activities, thus this would be supplementary funding and would not replace other sources of regular funding, such as ODA.

Contributions to the Environment Fund, for example, could be boosted by developing an organisational strategy for engaging the private sector. This would require dedicated focal points or partnership managers and deal with the private sector on a daily basis. Among other practical benefits, this ensures that businesses have a direct contact person within their partner organisation who is responsible for all aspects of partnership planning, the legal and due diligence aspects that maintain the integrity of UNEP's brand and implementation

D2. Establish a joint management mechanism for all major trust funds for the environment with equal roles for project selection, appraisal and supervision of environment-related activities, in accordance with the respective spheres of expertise.

Description of option

The purpose would be to establish a mechanism by which the major trust funds for the environment would co-operate more closely. In order to add coherence into the environmental financing system, a more strategic approach could be pursued on the programmatic front. This could easily be adopted by use of existing funding agencies. The mechanism for trust funds to cooperate could link the normative and operational aspects of financial and technological assistance while it should be strong enough to overcome the fragmentation of the current system. For example pursue systematic joint management of projects which would reduce the duplication and increase cost-efficient use of resources.

Increasing cooperation and coherence among financing mechanisms and funds would enable a thorough review of funding adequacy both in terms of volume as well as issue. It would allow for a review of current MEA financing by multilateral funds and the inclusion of presently excluded MEAs, such as CITES, the Basel and Rotterdam Conventions (to mention just a few) from central funding mechanisms.

The national reports submitted under MEA obligations as well as the OECD-DAC reporting system (Rio Markers and Creditor Reporting System) provide comprehensive data in that respect.

Possible examples of establishing cooperation mechanisms could include for instance the following:

- 1) Fostering sectoral environmental approaches to meeting challenges and capturing opportunities.

Sectoral approach could be fostered to avoid duplications and close gaps within the various environmental sectors such as biodiversity and ecosystems, chemicals and waste management, climate change mitigation and adaptation, etc. From a programmatic point of view, the approach would enable countries and the UN system to increase synergies within each sector by addressing issues of similar nature jointly. This would mean that baseline information and data could be shared under a common knowledge management system; that outputs could be set jointly and strategically in the context of national goals as well as international goals and commitments; and that capacity building efforts and technology support could be streamlined.

While fostering a sectoral approach, a more coherent financing architecture for environment would also enable better identification of interlinkages between sectors and provide opportunities for

addressing overlapping concerns. In general, a more strategic approach towards the integration of environmental and developmental funding would be possible. From a technical point of view, opportunities for common accessing criteria, streamlined application procedures and disbursement schemes would in turn simplify payment processes and allow countries with lower human and institutional capacity to streamline their efforts.⁴⁶

2) Setting up a financial tracking system (FTS) similar to that of the humanitarian aid sector.

The FTS of the humanitarian aid sector is a global, real-time database, which records all reported international humanitarian aid (including that for NGOs and the Red Cross / Red Crescent Movement, bilateral aid, in-kind aid, and private donations).⁴⁷ This would provide a system to analyse flows and volumes by clearly indicating to what extent each environmental sector and country receive support, and in what proportion to global, regional and national needs. This would be particularly interesting with regard to climate change mitigation and adaptation funding, which currently counts 13 major multilateral funds administered by four different agencies.⁴⁸ Such a tracking system would further provide an opportunity to monitor accountability among actors, as all flows could be monitored jointly. It is important that the new comprehensive financial tracking system builds upon the existing systems, such as the OECD/DAC described above.

It is also important to realize the synergies between the proposal on comprehensive financial tracking system and the proposals to develop a system-wide strategy for environment (Option C2). By establishing some broad objectives and categories of activities to implement internationally agreed environmental objectives, such a strategy could provide a framework for also reporting on expenditure.

Financial and legal implications

Although additional resources are required to fully address environmental degradation and support developing countries in meeting their needs, this option is based on the assumption that a more coherent financing architecture for environment would lower overhead costs and free resources for enhanced implementation. Costs accruing during the integration process are assumed to be offset under a reformed framework.

The legal implications will be determined by the degree of changes necessary to make the cooperation mechanism work efficiently. It may be expected to be agreed upon by the governing bodies for the major trust funds, conferences of parties of relevant MEAs and implementing agencies.

Concretely, a streamlined financing architecture could be aligned with a UN system-wide medium-term strategy for environment as called for by the JIU report of 2008 (reflected under option C2 in this document).

D3. Link global environmental policy making with global environmental financing.

Global policy making for the environment and global financing for the environment should be brought closer together. Given the nature and the complexities of the existing mandates and independence of financing and funding entities the option proposes to increase the coherence and strategic guidance over global financing and funding. A key prerequisite for this reform option is that it would presume that the GC/GMEF would become a body with universal membership so that its guidance for funds and financing is derived from all countries and not from a body with limited membership.

Status

As with other parts of the global environmental governance system funds and financing has become fragmented and diffused from any central or global policy making. Financing for the environment must serve many governing bodies and secretariats and by doing so they are decoupled from any global coordinated planning and guidance and thus suffer from little cooperation.

Each UN and international agency working in environment was set up for specific purposes and functions addressing either specific environmental concerns or some, like the GEF or the Environment Fund, to address multiple or cross-cutting environmental concerns. None of them has a global overall picture of the environment. Similarly, ODA, which is a huge amount of the global funding for the environment is provided according to individual programmes and priorities agreed among donors and recipients. The effectiveness of this funding could be greatly increased if wider attention was given to the overall picture for global sustainability and interlinkages between issues and financing. Furthermore, Ministers of environment and ministries who are the best qualified to provide guidance on global environmental policy and priorities are often removed from the decision-making on many of the most important global environmental funds.

Description of option

Under this reform option global policy making for the environment and global financing for the environment would be brought closer together. Given the nature and the complexities of the existing mandates and independence of financing and funding entities this broader reform option is proposed not to integrate these funding and financing entities as much as to promote greater effectiveness and efficiency through governance and policy coherence. The option proposes to give the GC/GMEF more authority to provide strategic guidance for global financing and funding. A key prerequisite for this reform option is that it would presume that the GC/GMEF would become a body with universal membership so that its guidance for funds and financing is derived from all countries and not from a body with limited membership.

The fragmented financing system that has evolved is not unlike the fragmented system of the MEAs that currently exists, partly because environmental financing is a reflection of these various bodies. The Environment Fund was meant to be an over-arching fund for the environment. It has remained small, and in the context of global funding for environment insignificant. Governance and use of the fund is directly linked to GC/GMEF which guides and reviews the use of the fund and so there is no disconnection between the GC/GMEF as a global authoritative voice for the environment and global financing for the environment.

There is, however, a significant part of global environmental policy and financing that is delinked from an overarching global authoritative voice for the environment. For example, with the proliferation of MEAs many of which now have become international policy instruments in their own right and with their own financial mechanisms through GEF, the global fragmentation of policy and funding has become prevalent.

The GEF was established “as one of the principal mechanisms for global environment funding”⁴⁹ and it has become the main financing mechanism for MEAs and plays to its comparative strengths in relation to the three implementing agencies, namely: UNDP, for its physical presence in developing countries; the World Bank for its experience in the financial sector and fiduciary role; and UNEP because it had the overall mandate on policy guidance for the environment in the UN system. There is no formal recognition under the GEF instrument or under UNEP’s mandate that the UNEP Governing Council should play a role in guiding the GEF environmental priorities and overall direction. This is not to say that the UNEP Governing Council should encroach upon the role of the conferences of parties in making recommendations and identifying its individual needs, but there is a role to play from a global voice for the environment that should be duly recognized and taken into account when setting broad GEF policy.

Therefore a key reform would be for the GC/GMEF to play a much stronger role in providing policy guidance to the GEF. This could be accomplished by realigning the GEF much more closely to the guidance and strategic direction of ministers of environment through the GC/GMEF. Aligning the policies of the GEF Assembly with those of the GC/GMEF would help to align the authoritative voice for the environment with a main financing body of the system. Providing more action-oriented substantive policy guidance and overreaching recommendations would require further in-depth review of the functions and bodies concerned as well as direct preparatory talks between all institutions

Financial and legal implications

Depending on how the reform of the IEG system moves forward and which organization or institution is aligned with the global authoritative voice on the environment in a manner that improves global environmental outcomes the implications for financial and legal adjustments, realignments or changes will depend on the nature of the reform. There are significant pools of money all of which provide opportunities for better realignment with the GC/GMEF as the global authoritative voice for the environment, including:

Global Environmental Facility, SAICM, Basel Convention Technical Cooperation Trust Fund, Multilateral Fund, Global Mechanism of UNCCD, Regional Development Banks, World Bank Climate Investment Funds, Copenhagen Climate Green Fund, Climate Change Adaptation Fund, Climate Change Least Developed Countries Fund, Special Climate Change Fund, UNEP Environment Fund,

Evidently some agencies provide better opportunities for realignment than others, within their existing mandates, however the work that needs to be undertaken to achieve this realignment and improve international environmental outcomes, requires a separate process of analysis than can be provided within the context of this document.

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

Status

Ensuring a responsive and cohesive approach to meeting country needs has become a major challenge in the field of environment. The past several years have seen an increased understanding of and responding to country needs through such collective actions as the Bali Strategic Plan and the GEF National Capacity Self-assessments. Such initiatives have helped to clarify the link between environment and development which is more pervasive for developing countries. They rely heavily on the natural resource base for their livelihoods and though poor countries contribute the least to global environmental change, they are disproportionately affected by environmental degradation. The responsiveness however is still lacking mainly due to the fragmentation of the system. For developing countries they have the highest entry and transactions costs to operate within the system, but have the least resources—which place them at very high risk of becoming disempowered and disenfranchised. The duplicity of responses, despite improvements through the One UN and UNDAF processes, has not been adequate and remains the major challenge in the field of environment at the country level.

While much has been achieved in enhancing country responsiveness over the last decades, governments continue to face difficulties in addressing environmental challenges at the country level.⁵⁰ Their needs are set out in Chapter 34.14 of Agenda 21 as:

- (a) To help to ensure the access, in particular of developing countries, to scientific and technological information, including information on state-of-the-art technologies;
- (b) To promote, facilitate, and finance, as appropriate, the access to and the transfer of environmentally sound technologies and corresponding know-how, in particular to developing countries, on favourable terms, including on concessional and preferential terms, as mutually agreed, taking into account the need to protect intellectual property rights as well as the special needs of developing countries for the implementation of Agenda 21;
- (c) To facilitate the maintenance and promotion of environmentally sound indigenous technologies that may have been neglected or displaced, in particular in developing countries, paying particular attention to their priority needs and taking into account the complementary roles of men and women;

(d) To support endogenous capacity-building, in particular in developing countries, so they can assess, adopt, manage and apply environmentally sound technologies. This could be achieved through inter alia:

1. Human resource development;
2. Strengthening of institutional capacities for research and development and programme implementation;
3. Integrated sector assessments of technology needs, in accordance with countries' plans, objectives and priorities as foreseen in the implementation of Agenda 21 at the national level;

(e) To promote long-term technological partnerships between holders of environmentally sound technologies and potential users.

A number of agencies address country needs in different areas of the environment. These agencies include, UNDP, FAO, UNEP, UNESCO, the World Bank, and the MEAs, such as through the Basel Conventions Regional and Coordination Centers or the UNFCCC mechanisms. As a UN system-wide initiative, Capacity building has become one of the five principles of the UNDAF process. This means that capacity building aspects have to be considered throughout the programming phase.

Recognising the close links between environment and development, UNDP country offices help countries strengthen their capacity to address environmental challenges, including climate change, loss of biodiversity and ozone layer depletion at global, national and community levels, seeking out and sharing best practices, providing innovative policy advice and linking partners through pilot projects that help poor people build sustainable livelihoods.

Based on its Environment Strategy 2001 (the drafting of a new strategy, 'Environment Strategy 2010 is underway) the World Bank works with its client countries to address their environmental challenges and to ensure that projects and programs integrate principles of environmental sustainability. The World Bank fully embraced the fact that climate change has a serious impact on development gains in client countries and is a potentially serious risk for industry, investors and financial institutions.

FAO maintains five regional offices, nine subregional offices and 74 fully-fledged country offices through which it supports governments in areas of agriculture and consumer protection; economic and social development; fisheries and aquaculture; forestry; human, financial and physical resources; knowledge and communication; natural resources management and environment and technical cooperation.

At present, UNEP has six Regional Offices, six Liaison Offices, six Regional Seas Offices and four Country Offices. In addition, UNEP has project staff in 15 Country Offices of UNDP or other UN-agencies.

The following examples provide information on the kind of delivery mechanisms used by UNEP when focusing on country-level support.

UNEP – UNDP cooperation is an important element in ensuring a responsive and cohesive approach to meeting country needs. The UNEP-UNDP Memorandum of Understanding has the aim of establishing a framework for cooperation on a non-exclusive basis and ensure host-country access to UN expertise in areas of common interest based on national priorities and development plans and contributing to UNDAF outcomes.⁵¹

Through their joint PEI/PEF UNEP, and UNDP, presently support 22 governments. At the country level, the PEI country programmes are implemented jointly by the UNDP country office and the government with the support of the joint UNDP-UNEP regional team. The PEI is a global programme that supports governments in including pro-poor, sustainable natural resource use as a core objective in development planning and implementation, including budgets and associated capacity building.

The MEA Focal Point system was set up by UNEP as an MEA implementation support system by placing MEA focal points into UNEP's regional offices. The scheme currently supports the biodiversity and chemicals and waste conventions. It provides a one-stop-shop for MEA implementation to assist countries to implement MEAs in a coherent and synergistic manner at the regional, sub-regional and country levels.⁵²

Gaps

The JIU Report states that “The current framework of international environmental governance is undermined by the absence of a holistic approach to environmental issues and lack of clear operational linkages between development assistance on the one hand, and compliance and capacity-building assistance for environmental protection in developing countries.”⁵³

Furthermore, the JIU report states that while “United Nations system organizations and MEAs have come up against serious difficulties in implementing a ‘One UN’ approach in the environmental field through the CCA/UNDAF processes” [...] “these processes do not address issues of compliance with the MEAs” (p.16) and “the United Nations Development Group is yet to establish modalities by which to address the concerns of non-resident organizations such as MEAs, UNEP, IMO, WMO and IAEA” (p.17).

Furthermore, the Secretary General's High-level Panel Report, ‘Delivering as One’, of 2007⁵⁴, recognises that “there must be a strengthening of human, technical and financial capacities in developing countries to mainstream environmental issues in national decision-making”, “bearing in mind that environmental sustainability is the foundation for achieving all the other Millennium Development Goals”. It continues stating that “Capacity should be built to promote the implementation of international commitments. The Bali Strategic Plan for Technology Support and Capacity Building should be strategically implemented to provide cutting-edge expertise and knowledge resources for the sustained expansion of capacity at the country level.”

Two challenges stand out in ensuring a responsive and cohesive approach to meeting country needs: The multiplicity of actors and lack of coherence at the country level have led to duplication and gaps in programme and project design and implementation. At the same time this has resulted in the disenfranchisement of countries as programme development and access to support have become complex and unmanageable.

Description of options

E1. Establish environment-development country teams and/or desks in existing intergovernmental offices in developing countries around the world.

While this option received general support during the first meeting of the Consultative Group, requests were made to combine this option with the option to increase country presence. Voices were also raised that supported strengthening of existing structures and advising against the establishment of new entities. Increased country responsiveness, in any case, should be based on countries' needs. Establishing the individual needs of countries could follow the example of the GEF's self-assessment processes.⁵⁵

A focus should thus be laid upon scaling up of existing programmes described above and carried out by the UN system, including the UNEP-UNDP PEI and UNEP's MEA focal point system. Further engagement of agencies tasked with environmental issues within UNCTs and participation in the UNDAF and One UN processes would be crucial.⁵⁶

Increased country responsiveness, in terms of UNEP's engagement, could be achieved by building on the existing delivery mechanisms and by scaling up activities already undertaken by UNEP. This would imply enhanced strategic presence through strengthened regional offices as well as placing or seconding UNEP staff from substantive divisions to regional offices. The experience of the “Delivering as One” pilot countries should be used to further extend coherent UN support to new countries and enhance UNEP's involvement and cooperation with other agencies in-country. Strengthening the

existing environment-development desk officers as well as temporary secondment of UNEP staff to UN country teams should form part of these efforts. As for UNEP-UNDP cooperation, implementation of the Memorandum of Understanding between the two organizations can be improved. This should also entail an analysis of how MEA implementation could receive greater attention.⁵⁷

UNDAF and One UN processes: focus on the environment in UNDAF and One UN processes could be greatly enhanced. Activities that could be further explored are:

- influencing the UNDAF process to use the recently developed UNDAF Climate Change and Environmental Sustainability Guidance Notes and through the participation in the UNDAF appraisal and monitoring process of the UNDG Regional Teams;
- ensure UNDAF support for national processes such as NAPAs and PRS that provide ways for mainstreaming of environment in development.
- continued engagement in the ongoing joint programmes (UNREDD, PEF/PEI, MDG Achievement Fund Projects, etc.);
- strengthening engagement with the regional Economic Commissions, World Bank and Development Banks;
- ensure that the One UN process maximizes benefits from working more closely with the Convention Secretariats and UNEP's Collaborative Centres;
- establishing a system-wide roster of partners with tested and proven environmental expertise who can be available for UNDAF as needed;
- completing the on-going review of the UN National Committees modes operandi and strengthen the engagements with National Committees for UNEP.

Other programmes outside the One UN and UNDAF processes, which provide opportunities for enhancement, are:

- *The PEI:* Although often very much part of the One UN at the country level, because it is carried out in full consultation with the UNRC's office and implemented jointly with UNDP, the PEI can also be scaled up as an separate initiative,
- *MEA Focal Point system:* UNEP's MEA focal points currently only support the implementation of the chemicals and waste-related MEAs and the biodiversity cluster. The expansion of UNEP's regional and strategic country presence could also extend the current MEA focal point system to incorporate other MEA clusters, including the desertification, atmosphere and marine-related conventions. Closer collaboration with MEA secretariats would have to be ensured to increase the effectiveness of the system.⁵⁸

In light of funding constraints, a more responsive and cohesive approach to country needs should, however, also focus on capturing opportunities at the regional and sub-regional levels. In this regard, the regional presence of UNEP, as the principal authority on the environment should be strengthened to enable it maximum responsiveness to country needs.

Financial and legal implications:

Comprehensive country-responsiveness within the environmental field is dependent on the overall reform of international environmental governance. According to the 'Delivering as One' Report, IEG should be strengthened and [made] more coherent in order to improve effectiveness and targeted action of environmental activities in the UN system. It should be strengthened by upgrading UNEP with a renewed mandate and improved funding."

Increasing country responsiveness based on UNEP's ongoing programmes as described in the previous section could entail a revision of UNEP's cooperation with UNDP as well as the UN system at large through the One UN Programme and UNDAF processes. Although UNEP is welcomed in most UNDAF processes, past experience has shown that it cannot afford greater involvement in UNDAF and One UN processes without further resources. The successful intervention at the time of UNDAF formulation normally is followed by a cumulative demand for continued engagement in implementation processes and commitment to allocate resource for implementation. Thus, if UNEP argues for inclusion of environmental sustainability, it is expected to provide - as a minimum - some seed financial resources. This is a challenge for the UNDAF process which should undertake coordinated effort to see that the UN-system responds to the country needs by taking into account the specific mandates of the relevant UN-agencies and programmes. UNEP's involvement in UNDAF's and One UN can be substantively increased if there is a substantive allocation of resources for environment.

The costs for strengthening existing regional offices of UNEP and increasing UNEP's presence in the UNDAF country teams depend on the magnitude of changes pursued. However, the costs of restructuring and strengthening existing structures are considerably lower than the cost implications of establishing an institutional structure similar to that of other UN specialized agencies. The latter could result in almost doubling the UNEP's biannual budget which currently lies at around \$500 million. Regarding the legal implications, a due consideration should be given whether the present mandate of UNEP is adequate to improve its country responsiveness and cohesiveness. If not, a change in UNEP's mandate would be required by General Assembly to make the strategic country presence of UNEP more effective.

Financing for increased country responsiveness is also related to a reform in the international environmental financing architecture. Both, increased resources towards the environmental sector in general as well as re-allocations among different agencies currently dealing with the environment, would have to be considered.

In that respect the Secretary-General's High-Level Report 'Delivering as One' states that "The Global Environment Facility should be strengthened as the major financial mechanism for the global environment. Its contribution in assisting developing countries in implementing the conventions and in building their capacities should be clarified, in conjunction with its implementing and executing agencies. A significant increase in resources will be required to address future challenges effectively."

E2. Develop an overarching framework for capacity building and technical assistance for the operational activities of MEAs, UN agencies and IFIs.

As an essential element of all environmental activities, capacity building and technical assistance need to be part of every programme and project to guarantee its sustainability. Hence an overarching policy framework could be established. Such a framework would be separate from a UN system-wide environmental strategy. It would be targeted at strengthening national capacities for environmental management through technical assistance and capacity building in support of operational activities relating to implementation of MEAs and agreed international environmental objectives. The framework should ensure ownership across the entire UN system, tap into existing networks by building on existing work and make links with capacity building efforts in other related areas.

This framework could be a succinct and practically-oriented policy framework, based on Chapter 34 of Agenda 21 and revised Bali Strategic Plan and designed along the lines of the GEF 'Strategic Approach to Enhance Capacity Building'. Its focus could lie on:

- self-assessments of capacity needs
- targeted capacity building across priority areas

Furthermore, the framework could:

- recommend measures;

- advise on the allocation of resources;
- provide information and expertise;
- provide a platform for knowledge sharing and exchange of best practices;
- serve as a meeting point for different stakeholders from the public and private sector; and
- provide for a voluntary monitoring, accountability and evaluation framework.

Support should be made available based on a country's self assessment for capacity needs vis-à-vis MEA commitments and on the implementation of environmental measures enhancing the achievement of the MDGs and other national development priorities. This policy framework would serve all major MEAs with a view of capturing synergies by applying a clustering approach among the various chemicals and waste, biodiversity-related and land-degradation, atmospheric, and water-related conventions.

It could be administered by a small secretariat, served by UNEP, which would facilitate the implementation of the above objectives in close cooperation with other UN partners. The Secretariat would act as a resource centre and clearing house, maintaining a knowledge base on expertise, best practices and financing options; compiling information on case studies; facilitating expert discussions, workshops and networking among stakeholders; compiling information on the implementation of the framework; as well as serving the intergovernmental body under whose authority the overarching framework would operate.

Financial and legal implications

The UN resolution 64/204 invites the relevant United Nations funds and programmes and the specialized agencies and MEAs to consider mainstreaming the Bali Strategic Plan in their overall activities. However, to become genuinely system-wide instrument the BSP should be further elaborated and revised.

The proposed framework should be aligned with internationally agreed environmental objectives including those of all major MEAs. Consultations with the conferences of parties of the relevant MEAs would be required to receive the necessary guidance. It should preferably be adopted by CEB to guide all UN agencies and programmes in their capacity building work.

As the proposed framework is to be a UN-wide instrument, funds for its implementation should be drawn from various existing sources across the UN-system and IFIs. For example, over the course of its entire operations, GEF has allocated \$334 million to enabling activities. The Strategic Approach for International Chemicals Management (SAICM), whose activities predominantly relate to capacity building and technology support, approved funding of approximately \$20.26 million over the course of eight rounds, starting in 2006. Accurate estimations for the administrative costs for the framework are not available as these costs are determined for example on how the cooperation for its implementation would be organized within the UN.

Ensuring a responsive and cohesive approach to meeting country needs is essential to making the IEG system overall more effective and efficient. By increasing collaboration among agencies concerned with aspects of the environment through the One UN and UNDAF processes and by scaling up ongoing activities much can be achieved to overcome multiplicity, duplication and simplifying access to agencies' support. However, a review of current funding scales and mechanisms would be an essential part of this reform.

Endnotes

¹ Available at <http://www.unep.org/environmentalgovernance/LinkClick.aspx?fileticket=tZyjX8cn738%>

² The acquisition, assessment and exchange of environmental knowledge and information was for many years pursued within the framework of a UN system-wide Earthwatch, an idea which was conceived in the 1972 UN Conference on the Human Environment in Stockholm and reinforced by the 1992 UN Conference on Environment and Development in Rio de Janeiro.

³ A core component of Earthwatch was the establishment by UNEP of an environmental referral system, later called INFOTERRA. The system was supporting information exchange and was an active programme element of UNEP until the mid-nineties when the support to the system was drastically reduced, amongst others, because of limitations in funding. Ironically this happened at a time when the world was just about to witness information and communication technologies developments which revolutionised the exchange of information.

⁴ GEMS/Water is still a UNEP programme, which since 1978, has been hosted at Environment Canada's National Water Research Institute.

⁵ http://www.wmo.int/wcc3/page_en.php

⁶ The new platform should, according to the conclusions from the meeting, be established as an independent intergovernmental body administered by one or more existing United Nations organizations, agencies, funds or programmes. It should perform regular and timely assessments, identify policy-relevant tools and methodologies and prioritize key capacity building and provide and call for financial and other support for priority needs, and cover terrestrial, marine and inland water biodiversity.

⁷ Ad Hoc Working Group has recommended that: The Regular Process will be overseen by an Ad Hoc Working Group of the Whole of the General Assembly composed of Member States with relevant intergovernmental and non-governmental organizations are also attending; A management and review mechanism composed of States would be established, and the existing Group of Experts, appointed by Member States, would be requested to continue. Capacity building is seen as an essential and integral part of the assessment; The Secretary-General would designate the Division for Ocean Affairs and the Law of the Sea, Office of Legal Affairs, to provide secretariat support to the Regular Process, including its established institutions and the Division's capacity should be strengthened accordingly; The Intergovernmental Oceanographic Commission of UNESCO, UNEP, IMO and FAO would be invited to provide technical and scientific support to the Process.

⁸ Such as the network of GRID centres.

⁹ Such as the network under the World Climate Research Programme.

¹⁰ Including the Global Land Cover Network (GLCN) jointly coordinated by FAO and UNEP and the network of Consultative Group on International Agricultural Research (CGIAR) centres.

¹¹ Including the network component of the Global Environmental Monitoring System (GEMS-Water).

¹² The Africa Environment Information Network (AEIN)

¹³ The European Environmental Information and Observation Network (EIONET)

¹⁴ The exchange network helps the US Environmental Protection Agency (EPA), federal states, ethnic groups, territories and regulated facilities exchange environmental information more efficiently (see also <http://www.exchangenetwork.net>).

¹⁵ Environmental Resources Information Network (ERIN), see <http://www.deh.gov.au/erin/index.html>.

¹⁶ Sistema Nacional de Informação sobre o Meio Ambiente (SINIMA), see <http://www2.ibama.gov.br/~cni/sinima.htm>.

¹⁷ Environmental Information System (ENVIS), see <http://www.envfor.nic.in/envis/envis.html>.

¹⁸ Such consultations could draw on the consultations undertaken by the Governing Council of UNEP on strengthening the science base of UNEP, and benefit the 'Eye on Earth' Global Summit planned by the Abu Dhabi Global Environmental Data Initiative (AGEDI) of the United Arab Emirates in cooperation with UNEP, the European Environment Agency and others, to be held in Abu Dhabi possibly in April 2011.

¹⁹ Two examples are the United Nations Conference on Trade and Development (UNCTAD) and the Disarmament Commission, both of which are subsidiary organs of the General Assembly with universal membership (UNGA resolution 1995 (XIX) of 30 December 1964 and resolution S-10/2 of 30 June 1978, respectively). The members of UNCTAD are the member states of the United Nations. The Disarmament Commission is composed of all member states of the United Nations, a decision taken by the General Assembly in its resolution 502 (VI) of 11 January 1952, replacing a limited-membership body.

²⁰ Assessed contributions refers a contribution to the UN or specialized agency which is normally based on the UN rating system and calculated on the basis of countries' national income. The calculation also takes into account other factors including maximum and minimum ceilings. Both UNCTAD and the Disarmament Commission function without assessed contributions demonstrating that universal membership does not necessarily imply a system of assessed contribution, but UN organizations with universal membership can be administered through regular and extra-budgetary resources.

²¹ See GC decision UNEP/GCSS.VII/6, para 29. available at <http://www.unep.org/gc/GCSS-VII/Documents/K0260448.doc>

²² For example, a specific mention for collaboration can be found in Articles 7.2(l) and 8.2(e) of UNFCCC, Articles 5 and 24(d) of CBD and Articles 8.1 and 23(d) of UNCCD.

²³ Approx 150 international conventions focus on biodiversity issues:

²⁴ For example, the 6th conference of parties to the CBD, in decision VI/20, welcomed 'the work of the United Nations Environment Programme on the harmonisation of environmental reporting' and encouraged its continuation and 'urged Parties to take steps to harmonise policies and programmes, at the national level, among the various multilateral environmental agreements and relevant regional initiatives, with a view to optimising policy coherence, synergies and efficiency in their implementation, at the national, regional and international levels'.

²⁵ See the Report of the simultaneous extraordinary meetings of the conferences of the Parties to the Basel, Rotterdam and Stockholm conventions (UNEP/FAO/CHW/RC/POPS/EXCOPS.1/8). Available at <http://excops.unep.ch/documents/meetingdocs/08e.pdf>

²⁶ JIU Report, p. 15

²⁷ Report of the Nordic Symposium "Synergies in the biodiversity cluster". 3 May 2010. Available at http://www.biodivcluster.fi/pdf/Report_3_May_2010%20Final.doc

²⁸ The designation of the 'coordinating body' would depend on the decision taken on which organisation/entity would be the most appropriate.

²⁹ Decision IX/10 of the Conference of the Parties to the Basel Convention, decision RC-4/11 of the Conference of the Parties to the Rotterdam Convention and decision SC-4/34 of the Conference of the Parties of the Stockholm Convention are substantially identical decisions, known as the "synergies decisions", by which the conferences of the Parties to the Basel, Rotterdam and Stockholm conventions called for various measures to achieve greater cooperation and coordination among the three conventions, with the aim of "strengthening implementation of the three conventions at the national, regional and global levels, promoting coherent policy guidance, enhancing efficiency in the provision of support to Parties with a view to reducing their administrative burden and maximizing the effective and efficient use of resources at all levels".

³⁰ Report of the Nordic Symposium "Synergies in the biodiversity cluster". 3 May 2010. Available at http://www.biodivcluster.fi/pdf/Report_3_May_2010%20Final.doc

³¹ 2008 Joint Inspection Unit (JIU) Report on the Management Review of Environmental Governance in the UN System (JIU/REP/2008/3). Available at http://www.unjiu.org/data/reports/2008/en2008_3.pdf

³² The EMG was established following the adoption of General Assembly resolution 53/242 with the aim of enhancing the UN system-wide inter-agency coordination related to specific issues in the field of environment and human settlements.

³³ Twenty-seven UN system organisations, including UN funds and programmes as well as specialized agencies, WTO and the Bretton Woods institutions, are members of the CEB. The Board holds two annual sessions and is chaired by the Secretary-General of the United Nations. The Board reports on its activities to ECOSOC through, among others, its Annual Overview Reports.

³⁴ Until October 2000, system-wide coordination in programme as well as management areas was carried out in part by standing bodies, each focusing on a particular aspect of coordination within the UN System. There were five such bodies which reported directly to ACC: the Organisational Committee, the Consultative Committee on Administrative Questions, the Consultative Committee on Programme and Operational Questions, the Inter-Agency Committee on Sustainable Development and the Inter-Agency Committee on Women and Gender Equality. In October 2000, two high level committees were established: one to oversee work in the management area, and another in the policy and programme areas. The Board decided to move away from the concept of "permanent subsidiary bodies" – all previous subsidiary bodies ceased to exist as of the end of 2001.

³⁵ JIU report, p.7-8.

³⁶ United Nations, 2006. Delivering as One: Report of the Secretary-General's High-Level Panel, p.1. Available at <http://www.un.org/events/panel/resources/pdfs/HLP-SWC-FinalReport.pdf>

³⁷ JIU report, p.15.

³⁸ Ibid, p.21.

³⁹ JIU Report, p.9.

⁴⁰ GA Resolution 62/208. See paragraphs 97-98

⁴¹ UNGA, 2009. Notes by the Secretary-General transmitting the report of the Joint Inspection Unit entitled "Management review of environmental governance within the United Nations system" and the comments of the Secretary-General and those of the United Nations Chief Executives Board for Coordination thereon (A/64/83/Add.1–E/2009/83/Add.1). Available at <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/380/34/PDF/N0938034.pdf?OpenElement>

⁴² OECD, Aid in Support of the Environment, April 2010, p. 1.

⁴³ GEF Instrument Preamble, 2008.

⁴⁴ United Nations Global Compact, 2010. *Coming of Age UN Private-Sector Collaboration Since 2000*. Available at http://www.unglobalcompact.org/docs/news_events/8.1/Coming_of_Age.pdf

⁴⁵ GAVI Alliance Achievements. Available at http://www.gavialliance.org/resources/15_EN_Achievements1_final_2.pdf

⁴⁶ For a detailed assessment of multilateral funds within the climate change sector see OECD, DAC Report 2010.

⁴⁷ <http://ocha.unog.ch/fts/pageloader.aspx>

⁴⁸ UNDP (UN REDD and MDG Fund), GEF (Strategic Priority on Adaptation; GEF Trust Fund), UNFCCC (LDCF and SCCF both operated by GEF on behalf of UNFCCC; Adaptation Fund), World Bank (Climate Investment Funds including Strategic Climate Fund (Pilot Programme for Climate Resilience; Scaling-up Renewable Energy Programme; Forest Investment Programme) and the Clean Technology Fund.

⁴⁹ GEF Instrument Preamble, 2008.

⁵⁰ A detailed description of the current status within the UN system with respect to this objective has been provided to the Group's first meeting in the paper 'Environment in the UN system'. It sets out the variety of mechanisms and funds that support country responsiveness.

⁵¹ Areas of cooperation were identified as: Climate change; The Poverty and Environment Initiative; Other environmental endeavors related to the implementation of Agenda 21, the Johannesburg Plan of Implementation, the Bali Strategic Plan for Technology Support and Capacity Development, Multilateral Environmental Agreements and other international agreements in order to assist countries achieve the MDGs.

⁵² Support provided includes: technical advice on national implementation of MEA commitments; drafting legislation; institution building; capacity building; and awareness raising.

⁵³ 'Management Review of Environmental Governance within the United Nations System', JIU, 2008:7

⁵⁴ High-level Panel Report on UN System-wide Coherence in the areas of Development, Humanitarian Assistance and the Environment, 'Delivering as One'

⁵⁵ Timing and costs of such self-assessments would have to be taken into account as well.

⁵⁶ The need to include MEA implementation in UNDAF processes has also been pointed out by the 2008 JIU Report.

⁵⁷ With respect to Memorandum of Understanding between UNEP and UNDP the 2008 JIU Report found that 'While it is clear that every State must comply with MEAs at the national level, the MoU hardly bears reference to mandates of UNEP and MEAs to undertake operational activities to assist the State at the country-level. Resource constraints and a simplistic interpretation of the MoU by field officers are the main reasons why UNEP has not established enough environmental focal points in UNDP country offices.'

⁵⁸ However, MEA implementation through the focal point system should also become an integral part of UNDAF programming and One UN country support.