

REFORM PAPERS



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REFORM OF UNEP: FORM TO FOLLOW FUNCTION

Report of Multi-stakeholder Workshop

8th Special Session of the Governing Council/Global Ministerial Environment Forum
Jeju, Republic of Korea, 29-31 March 2004

1. INTRODUCTION

It has been generally recognised that the proliferation of environmental agreements, institutions, mechanisms and processes has exacerbated the fragmentation of international environmental governance. In 1998 the Environmental Management Group was set up by the United Nations Environment Programme (UNEP) to address this issue on an ongoing basis, in particular to report to the World Summit on Sustainable Development. Whilst the Summit to make decisions in an attempt to strengthen international environmental governance through improved policy coherence, enhancing the mutual supportiveness of trade and environmental agreements and through the strengthening of institutional arrangements, in reality the processes has not brought cohesions to the governance of environmental issues. Focus, recommendations and political will are required to bring greater accord to the international environmental governance architecture.

In 2003, the French Government presented a recommendation to the 58th Session of the United Nations General Assembly detailing the development of a United Nations Environment Organisation (UNEO). This received significant attention by governments, UN Agencies and other stakeholders. In response to this proposal a working group was set up in New York to facilitate dialogue between governments on UNEP reform.

At the 8th Special Session of the Governing Council/Global Ministerial Environment Forum, *Jeju, Republic of Korea, 29-31 March 2004* discussions within the Committee of the Whole (CO) addressed the issue of International Environmental Governance.

A wealth of experience and expertise exists within civil society including: NGO's, businesses, local authorities, scientific and academic society and youth, on the issue of international environmental governance. It has also been widely acknowledged that better decisions are taken as a result of the meaningful engagement of stakeholders in policy and decision making processes. It was therefore determined both critical and appropriate for a process to be initiated that enabled stakeholders to participate in discussion on the reform of UNEP.

1.1 Work-programme

The 8th Special Session of the Governing Council/Global Ministerial Environment Forum afforded a timely opportunity to gather initial stakeholder opinions and recommendations on the reform

enabling an interactive dialogue between stakeholders, governments and UN agencies on this issue.

Stakeholder Forum for Our Common Future has a core competence in developing and facilitating multi-stakeholder processes to enable representatives of civil society to meaningfully participate in policy and decision making, and the development of collaborative action plans and strategic partnerships for the implementation of sustainable development agreements and in particular the Millennium Development Goals.

Environment Canada provided financial support to Stakeholder Forum for Our Common Future to facilitate stakeholder engagement, of this nature, during the UNEP-GMEF.

2.0 REPORT OF MEETING

2.1 Overview

On Tuesday 30 March 2004, a multi-stakeholder workshop was hosted by Stakeholder Forum for Our Common Future, sponsored by the Canadian Government on the issue of: "**UN Reform: Form to Follow Function.**"

The meeting was attended by 32 participants including representatives of Government, Multilateral Environmental Agreements, NGO's, and Youth.

Georgina Ayre: Head of Policy and Research with Stakeholder Forum for Our Common Future opened the meeting providing a back-ground to the topic to be addressed during the workshop.

A series of presentations were given by; Nicole LaDouceur, Environment Canada; Georgina Ayre, Stakeholder Forum for Our Common Future; Felix Dodds, Stakeholder Forum for Our Common Future and Simone Louver, Friends of the Earth International on the issue of strengthening international environmental governance.

The floor was then opened for an interactive dialogue. Participants were asked to speak particularly on the issues of:

- What are your expectations of UNEP?
- What role is UNEP mandated to play?
- What are the current strengths of UNEP?
- What are the current weaknesses of UNEP?
- Where does the function of UNEP overlap with other institutions?
- Where are the current gaps in environmental/sustainable development governance with UNEP?
- How could a United Nations Environment Organisation (UNEO) differ from UNEP?

Further points for discussion were:

- The clustering of MEAs;
- Universal Membership;
- Compliance and dispute settlement;
- The effective engagement of civil society

2.2 Key Issues

The following issues were raised and discussed during the presentations and open floor discussions;

- There is a need to think about how to better utilise and strengthen the institutional frameworks that are currently in place;
- Any reform should not be seen as a short-term fix, but as a long-term objective;
- It took many years of thinking of a global trade body before the WTO was developed. The development of a UNEO should be driven forward with the realities of this time scale in mind;
- A UNEO is needed, not as an omnipotent environmental body, but as a manager of earth environmental resources;

Reform of UNEP cont...

- Critical issue for address is the fragmentation of UNEPs work programme;
- Any reform process needs to be evolutionary and take place as a result of a diverse range of view points;
- The question was asked – ‘will a strengthened UNEP be able to deal with trade and environment?’
- The reform of UNEP to a specialised agency will not require a change in the UN Charter, a feared by a number of developing countries;
- An reform needs to take place in incremental steps particularly as not all members are keen on accepting the entire package. However with greater political will the strengthening of UNEP could be driven forward at a faster and more ambitious pace;

2.2.2 Creation of a UNEO

- There is a current lack of consensus on the need for a UNEO;
- It is critical that if a UNEO is decided upon, that it is not built on the institutional model of the WTO;
- The main objectives behind the French proposal on the development of a UNEO are to;
 - Raise the profile of International Environmental Agreements;
 - Build Institutional capacity;
 - Streamline environmental and other institutional demands.
- Within the French proposal it is not intended that UNEO be promoted as a substitute for strengthening UNEP. UNEO is a long-term objective, strengthening UNEP remains the priority in the short/medium term;
- The French proposal was launched at the 58th Session of the UNGA as an input to the ongoing UN reform process;
- A UNEO will only be credible if it assists developing countries meet their implementation commitments, and provides tangible benefits to environmental protection that assists development;
- There is a need to rationalise reporting mechanisms on environmental commitments/processes. It is recognised that these cannot be combined under one UNEC
- A UNEO should be developed irrespective of the status of the WTO – the trade and environment debate should not predetermine the purpose of the new organisation;

2.2.3 Universal Membership

- A consultative process on Universal Membership is required between 2004 – 2005. This should take the form of a high-level panel;
- Universal membership will increase the ownership of environmental policy and implementation;
- Developing countries need to know what additional benefits they will receive from Universal Membership;
- There is a lack of certainty as to whether Universal Membership will provide developing countries with a stronger voice?;
- There is a current lack of understanding on the implications of Universal Membership, and how it will be organised.

2.2.4 Role of Science

- Science and technology is developing at a rapid pace, this pace of change should be taken into consideration;
- Sound scientific evidence provides legitimacy to decision making.

2.2.5 Technology Transfer

- A high-level panel on Capacity Building and Technology Transfer would be a useful contribution to the discussions.

2.2.6 Multilateral Environmental Agreements

- With over 500 MEAs institutional frameworks are being placed under increasing stress. To address this problem activities are required to ensure policy and institutional coherence, capacity building and compliance;
- An integrated reporting approach is required for MEAs;
- Geographical Clustering of MEAs is not necessarily the best solution as Information and Communication Technology is so advanced that this should be used to ensure improved cooperation between MEAs;
- The relocation of MEAs would lead to a reduction in funds to the current host countries;
- Progress is being made on cross-sectoral collaboration between MEAs;
- Cooperation for cooperation's sake is not useful.

2.2.7 Trade and Environment

- The current discourse between environmental and trade agreements is of real concern;
- There is a need to deal with trade and environment, rather than environment within the WTO;
- The impact on trade and the environment is of critical importance. It is therefore essential that UNEP is given observership status in the WTO;

2.2.8 Compliance and dispute settlement

- Examples of forced water privatisation by the World Bank or removal of Environment departments/ministries by the IMF are examples of poor international environmental governance;
- International environmental governance is about equitable compliance not just recipient compliance;
- Compliance is currently happening in a piecemeal manner;
- Support from UNEP should be targeted where there are current gaps in compliance;
- The French proposal on the formation of a UNEO does not seek to address the issue of compliance or dispute settlement, as the UNEO is not intended to be a counterweight to the WTO or IMF;
- Environmental dispute mechanisms already exist outside of the WTO. These should be more appropriately used. This is the responsibility of environment departments;
- Dispute settlement requires internal 'fight first' to ensure consistency at the national level. Trade is currently only dealt with at WTO. In the medium term opening up discussions on this within the context of the reform of UNEP could kill the discussions;
- Concern remains that dispute with the WTO favour trade agreements/priorities over and above environmental considerations or compliance with MEAs.

2.2.9 Financing

- There is an essential need for a funding system with stability and predictability;

strategic investment in work programmes. This situation is leading to a lack of ongoing understanding of process that initiated project;

- New Financial Mechanisms if not managed in an open and transparent framework could potentially be even more threatening than traditional mechanisms;
- Trans-national corporate sponsorship of UN System will lead to trans-national corporation determining environmental policy;
- Trans-national corporations are only interested in rich markets, they do not equitably contribute to the global economy or ensure equitable development;
- The Treasury of the German Government carried out an analysis of the additional expense that would be incurred by UNEP on the introduction of Universal Membership. The research concluded that there would be no increase in cost;
- Assessed contributions should be given further consideration. Countries should not be afraid that this system will result in unachievable financial demands, as countries will still be able to negotiate these contributions;
- Discussions on the indicative scale should be progressed over the period 2004-2005;
- Finance for the current and future system of stronger environmental governance requires proportionality in the regular contribution of the UN;
- Financing for the environment should be moved higher up the political agenda;
- Finance is absolutely key, however – the real challenge is in getting the contributions to UNEP through the national treasury;
- Financial contributions to International Environmental Institutions are often a significant challenge for developing countries and even mid-income countries.

2.2.10 Millennium Development Goals

- Consideration should be given to the development of an in-house auditing arrangement or policy development to ensure the effective delivery of the MDGs;
- The 2005 MDG review process provides a framework for environmental governance to be addressed in the context of development discussions;
- There is a need for a review of WTO agreements with regards to their compatibility/incompatibility with the achievement of the Millennium Development Goals.

2.2.11 Stakeholder Engagement

- Meaningful stakeholder participation in discussions and decision making processes on the reform of UNEP is critical;
- There are a number of mechanisms/processes that could be explored to enable stakeholder participation;
- There is a need for multilateral ownership of decision making processes;
- The French Government do not want to ignore value of stakeholders. However, they need to ensure that any stakeholder engagement processes is established with the full approval of the New York working group;
- There is an interest in modernising stakeholder participation at UNEP to the same standard of the Commission on Sustainable Development, and to take account of more sophisticated models of stakeholder engagement in the UN system;
- Some countries still believe that stakeholder participation should be suppressed and stopped from spreading across UN system there is a need to understand why this is;

2.2.12 National Level

- Governments are not always well organised at the national level to deal with the inter-linkages between the economic, social and environmental agendas including health and security;
- Strengthening of environmental governance must happen at the national level;
- There is a diminishing governmental commitment to environmental protection.

2.2.13 General Issues

years;

- Globalisation is a contributing factor to this process. However, globalisation does not necessarily deliver the same rate of development around the world;
 - Unsustainable patterns of production and consumption are causing increasing stress to the environment;
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3.0 SUMMARY

The following issues received the greatest attention during the workshop, and it is therefore recommended that any future dialogue on the reform of UNEP strategically consider the below:

- Increasing financial contributions to UNEP;
- Ensuring meaningful stakeholder engagement in the reform of UNEP;
- Compliance and dispute settlement;
- Creation of a UNEO

A critical issue raised at both this workshop, and previous events is the need to both actively engage developing country stakeholders and governments in the debate, and to ensure that any reform process seeks to address the needs of developing countries. Stakeholder Forum for Our Common Future proposes to undertake a work programme to facilitate such engagement.

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