



## INSTITUTIONS FOR ENVIRONMENT

**Evolving institutional framework in the United Nations for environment and development**

**United Nations Environment Programme headquarters at United Nations Avenue, Gigiri, PO Box 30552, Nairobi, Kenya**



ozone depletion

hazardous waste

prior informed consent

right to information

commission on

sustainable development

climate

biodiversity

desertification

persistent organic pollutants

forests

trade and environment

multilateral agreement

on investment

global environment facility

institutions for environment

### Problem

The power of United Nations (UN) sustainable development institutions is diluted by two main factors. One of the problems is the multitude of institutions in charge of this policy field. Since the 1992 Earth Summit in Rio de Janeiro numerous environmental conventions have emerged. But so far there has been few progress towards the creation of a coherent and unified institutional structure, instead, the increase in international environmental regimes has led to a considerable fragmentation of the system. There is an overlap in the functional areas of almost all bodies involved in International Environmental Governance (IEG). No central anchoring point exists that could compare to the World Health Organization (WHO), International Labor Organisation (ILO), or World Trade Organisation (WTO) in their respective fields.

Another central problem faced by UN institutions in the field of sustainable development is a mounting lack of funds. As a result of declining commitments from the North, the UN organisations have had to compete with each other for the remaining funds. For instance, UNDP's budget has dropped from US \$1.2 billion in 1992 to US \$700 million in 1999.

### Consequences

This results in a variety of shortcomings of the present state of global environmental governance.

Many observers claim that there is a coordination deficit in the international governance architecture that results in substantial costs and sub-optimal policy outcomes. Each convention, such as the UN Framework Convention on Climate Change (FCCC), or the Convention on Biological Diversity (CBD), has its own secretariat, supported by an independent international bureaucracy. These secretariats are dispersed across the globe. Each organisation works more or less as an independent body, has its own managerial system, its own financial mechanism and scientific advisory body and each secretariat reports to its own Conference of the Parties (CoP). Thus little interagency coordination takes place, little leadership is being provided, and cross-cutting policy issues have not been adequately addressed.

Moreover, the build-up of environmental capacities in developing countries needs to be reinforced. Enhancing the capacity of developing countries to deal with global and domestic environmental problems has undoubtedly become one of the key functions of global environmental regimes. In several of these regimes industrialised countries have assumed legally binding obligations to compensate the agreed full incremental costs that developing countries incur in complying with the environmental standards. However, the current financial transfer system suffers from ad-hocism. Most industrialised countries prefer a strengthening of the World Bank and its affiliate, the Global Environment Facility (GEF). On the other hand, most developing countries disapprove of the World Bank as a Western-dominated institution ruled by decision making procedures based on contributions.



There have been calls to upgrade UNEP to a new World Environment and Development Organisation. Yet, without adequate funding any United Nations institution in charge of sustainable development will remain toothless



## GLOBAL ENVIRONMENTAL NEGOTIATIONS

This series provides a close analysis of important environment-related conventions and institutions from their origins, and demystifies the politics of saving the environment'.

A first-ever comprehensive Southern perspective of the impact of global environmental governance on the real lives of real people.

In addition to dealing with five new issues, the second volume, *Poles Apart* contains updates on the issues dealt with in the first report, *Green Politics*. The updates cover only recent developments – a complete historical background can be found in the first report.

### Reform efforts

The creation of the Commission on Sustainable Development (CSD) in 1992 was the first attempt to consolidate the environment and development agenda. Its main task is to monitor the implementation of Agenda 21. But also this body has suffered from lack of leadership and authority.

After the Rio Summit UN Secretary-General Boutros Boutros Ghali set up a high level eminent persons group' under the chairpersonship of Jan Pronk and Enrique Iglesias. The Pronk-Iglesias report, submitted in November 1992 but kept under wraps, recommended a powerful role for CSD to oversee the activities of the entire UN system. Additionally, the report endorsed the recommendation of the Rio conference to set up a high level Advisory Board on Sustainable development that would report to the Secretary-General.

In 1997, during Kofi Annan's first year as secretary-general, he called for extensive reform of IEG, and for a move away from hierarchy and towards co-ordination. He also calls for increased transparency of UN deliberations and collaborations with non-state actors. But so far, ever-present political realities from within as well as without have lead to slow progress in institutional reform. Outside pressure comes from Washington as the US had set a precondition on any payment of its accumulated US \$1.6 billion that the UN should reduce overall spending and eliminate redundancy in its work.

As a potential loophole of its financial crisis, the UN recently signed a 'Global Compact' with multinational corporations (MNCs). In this compact, the UN invites individual corporations into a partnership' with the UN. Essentially, the compact consists of a set of voluntary ethical guidelines drawn from UN declarations and conventions. If companies agree with these guidelines in principle, they are allowed use the UN logo in their advertising, and the UN gets new financial partners from the private sector. The problem is a serious lack of both monitoring and enforcement mechanisms.

### Challenges ahead

The World Summit on Sustainable Development (WSSD) in Johannesburg in 2002 will provide an important focal point for the debate on IEG reform.

In May 2000, the Global Ministerial Environment Forum's Malmö Ministerial Declaration recommended that the 2002 WSSD should review the requirements for a greatly strengthened institutional structure for IEG. In this regard, UNEP's role should be strengthened and its financial base broadened and made more predictable. As a reaction to the Malmö Declaration, the UNEP governing council set up an open ended intergovernmental group of ministers or their representatives to discuss the future development of IEG.

But can the existing set of institutions be adequately reformed at all? During the past years, there have been calls to move the tasks of overseeing capacity-building, and financial and technological assistance for sustainable development to a new independent body. This body, it is argued, should be specially designed for the distinct character of developed-developing world relations in sustainable development policy. It should overcome the fragmentation of the current system and to especially bring the environment agenda at par with the economic agenda under the WTO. Yet, without adequate funding any UN institution in charge of sustainable development policy will remain toothless.

For the South, the issue for the WSSD may be as much one of empowering UN organisations to take the lead in the sustainable development agenda, as disempowering existing heavyweights like the dominating WTO and integrating them into the UN system.