

**Permanent Mission of France
to the United Nations**

New York, 8 march 2005

**Informal Working Group on the transformation of the
United Nations Environment Programme (UNEP)
into a United Nations Specialized Institution (UNEO)
Progress Report**

I. Creation of a working group on transforming UNEP into a UNEO

1. In the fall of 2003, France proposed that an informal working group be created to consider the transforming of UNEP into a UNEO. This initiative was based on the following observations:

– the degradation of the environment has been recognized as one of the most serious threats, not just for the future of the planet and its natural resources, but also for the survival of human kind. Climate change, the loss of biodiversity, desertification, and an ever-increasing number of natural disasters affect all countries and all peoples — in particular those that are most vulnerable.

This observation, already included in the Millennium Declaration, has since been strengthened by the High-Level Panel, which noted in its report that the degradation of the environment is one of the main threats to our collective security. In terms of governance, the Panel emphasized, "nor is there coherence in environmental protection efforts at the global level". In addition, the Millennium Project report recommended structural changes in order to be able to reach Millennium Development Goal 7, including the strengthening of governance and of competent agencies (see the section of the report dealing with environmental sustainability).

– since the creation of UNEP in 1972 - and in particular following the Earth Summit in Rio de Janeiro in 1992 and the Johannesburg Summit in 2002 -, important efforts have been made at the international level. In Johannesburg, the Heads of State and Government stressed the importance of the institutional framework for sustainable development, and requested that the concrete recommendations adopted at Carthage in February 2002 be fully implemented. The goal of these recommendations is to strengthen UNEP so that it can fulfil its mandate as the principal agency for international environmental governance.

– at the present time, however, the international community is having difficulty in adequately responding to global phenomena that threaten or degrade the environment, as well as in providing sufficient support to countries that need it. This situation is made even more worrying by the fact that these challenges will only increase in the coming years.

2. Given this analysis, the French President has proposed that a United Nations Environment Organization (UNEO) be put in place, based on the transformation of the present UNEP. The French proposal is based on three main guidelines: the preservation of the environment as a key issue in the collective security of our planet; the degradation of the environment as a threat to development; the need for a multilateral response, and the central role of the United Nations in this respect.

To start a concrete reflection, France suggested the creation of an informal working group that is geographically balanced and that reflects diversity of analyses on the issue. Twenty-six countries (see appendix) accepted to take part in this working group, without such participation predjudging in any way their positions on the creation of a UNEO.

II – General organization of the work of the group

1. Between February 2004 and March 2005, the group met regularly at the level of the Permanent Representatives and their collaborators. A meeting of Foreign Affairs Ministers was held in New York on 22 September 2004. Several meetings of Environment Ministers were held during international meetings and in particular on 30 April, in the margin of CSD 12. Technical meetings were also held in Nairobi. The active participation by group members at all levels showed an interest in the future of international environmental governance.

2. The initial phase of the group's work (first half of 2004) was devoted to an analysis of the weaknesses and opportunities related to current international environmental governance. A report of these reflections was presented to the Foreign Affairs Ministers on 22 September.

3. The second phase (second half of 2004 and early 2005) was devoted to an initial analysis of concrete options for addressing the weaknesses that were identified in various areas. The group examined the added value that transforming UNEP into a UNEO could bring.

III – Evaluation of the weaknesses and opportunities in the current situation

1. Evaluation of the weaknesses and opportunities related to current international environmental governance resulted in several observations, which were presented to the Foreign Affairs Ministers:

2. There were four main observations:

– **problems of coherence and efficiency** linked to the increasing number of multilateral environmental agreements (MEAs) and fora in the area of the environment : while the development of this architecture has made positive advances possible, international environmental governance is nevertheless marked by a phenomenon of fragmentation. It is often the source of incoherence, inefficiency, additional cost, and imperfect allocation of human and financial resources. It weakens the capacity of international environmental governance to contribute to sustainable development.

– **gaps in scientific expertise, early warning systems, and information:** systems for collecting data on the environment are not being fed in a satisfactory manner. Access to data is complicated by the lack of shared rules to allow equitable access to this information. In addition, there are no structured warning mechanisms with sufficient international visibility and the capacity to offer adequate responses and, finally, informational efforts are insufficient, and their readability and coherence for the public are in need of improvement.

– **specific needs of developing countries not sufficiently taken into account :** these countries, that are often more vulnerable to environmental degradation and less financially able to respond, have difficulties in devising national policy in the area of the environment, accessing financial resources and technology, and participating in decision-making, negotiating and following up of agreements.

– **complexity of the sources of financing:** financing of the environment at the international level is marked by a lack of predictability, its instability and the fragmentation of the system. This system makes it difficult to access financing, and results in transaction costs and in an allocation of resources that is not sufficiently linked to Member State-decided strategies.

IV – Principles and key issues

1. Based on these observations, the exchange of views by the Ministers on 22 September resulted in a set of principles and key issues to guide the future work of the group. These elements were summarized by the French Minister of Foreign Affairs in light of the exchange of views by the Ministers (letter from Mr Barnier sent to his group Colleagues on 28 October 2004).

2. Principles:

– the creation of a UNEO should be achieved by transforming UNEP (and not in parallel to UNEP). This forward-looking process should be seen as a complement and build on the strengthening of UNEP based on the recommendations adopted at Carthage;

- UNEO headquarters should remain in Nairobi. The UNEO would thus be the first United Nations Specialized Institution to have its headquarters in a developing country;
- the legal autonomy of the main Conventions should be maintained;
- the UNEO would not have the vocation for competing with the WTO.

3. Key issues:

- strengthening the coherence and efficiency of the current international system, including their regional dimension
- scientific expertise, and information and early warning systems
- responses to the specific needs of developing countries in order to ensure that the environment fully contributes to their sustainable development
- financial aspects and the importance of rationalizing efforts in order to mobilize more resources to assist the developing countries
- institutional and legal aspects.

4. On that basis, the French Minister of Foreign Affairs proposed that the group examine the concrete options that would address the weaknesses that were identified, by considering what added value the UNEO would offer in this respect.

IV - Concrete options

In the second phase of the work, the group organized its discussions based on the themes of the first phase. For each theme, the group attempted to identify the main issues as well as possible responses. This initial analysis gave the group the chance to review concrete options offering responses to weaknesses in the current situation. The technical aspects of some options would need to be developed more in depth.

At this stage, the issues considered by the group could be summarized as follows:

1. Coherence of governance:

- **Issues:** the coherence of the existing international arrangements, the efficiency of actions being carried out as well as the participation of States, and the legitimacy of decisions were considered.

- **Possible responses:** The options selected should take into account the need to address the problem of fragmentation while preserving the necessary flexibility as well as the legal autonomy of the main Conventions. In this context, the group examined the possibility of assigning two main functions to a UNEO: defining strategic guidelines approved by Member States ; coordination and - in some cases - pooling of some cross-cutting activities (for example : information collect and exchange, capacity building and technology transfer, and follow-up of the implementation of agreements).

Several options were proposed to ensure this coordination without affecting the legal autonomy of main Conventions, in particular in regard with their normative activities. This issue is a delicate one and deserves to be deepened. The difference in the membership between a UNEO and specific Conventions in particular should be taken into account. In this respect, models existing within the UN system (notably WIPO, ILO or WHO) could serve as inspiration.

In addition, in order to address the issue of participation and legitimacy, the possibility to give UNEO a clear mandate on three points in particular was considered: rationalizing the planning and venues for meetings, harmonizing and streamlining requests for reports and information, and simplifying the mechanisms for monitoring agreements.

The UNEO secretariat could bring an important contribution to these elements.

2. Specific needs of developing countries:

- **Issues** : the devising of robust environmental national policies, the inclusion of environmental challenges in the framework of national development strategies, as well as the implementation of MEAs were considered.

- **Possible responses** : Responses should be based on the principle of ownership by each State of the elaboration of environmental policies. UNEO mandate should clearly address the environment in the context of sustainable development. For developing countries, a UNEO should essentially play a supporting and accompanying role that should be strengthened, in particular through a better resource mobilization. It could also facilitate their participation in decision-making.

In the line of the strategic plan for technological support and the strengthening of capacities adopted in Nairobi in February 2005, UNEO could contribute to strengthening capacity building and technology support, especially from the regional level (coordination of capacity-building programs in full cooperation with UNDP, assistance in identifying projects, etc.).

UNEO could also help to strengthen scientific expertise (strengthening scientific capacity, involvement of researchers from developing countries). It could also promote a regional approach in this field.

UNEO could take on a role of encouraging the inclusion of environmental considerations in national policy, emphasizing the benefits of measures taken (energy savings, tourism, etc.), and promoting mechanisms for underwriting certain associated costs.

Finally, concerning the MEAs, a UNEO could assist the developing countries in their participation in decision-making as well as in the inclusion of MEAs in their national legislation and support them in the implementation on the national level.

3. Financial aspects:

- **Issues:** a better mobilization of resources in order to contribute more efficiently to environmental actions, in the first place in favour of developing countries, coherent resource allocation with regard to strategies and guidelines determined by Member States, strengthening of scientific and technical quality of operational environmental activities, and rationalization of costs by better management of the major cross-cutting issues were considered.

- **Possible responses:** Financing the environment at the international level involves in particular two types of issues : the budget and resources of UNEO (and of the Convention bodies), and financing from the Global Environment Facility.

On UNEO's budget, the organisation could on the one hand strengthen activities in some key areas in which it would bring added value. These could include early warning systems, scientific expertise, support for developing countries, capacity-building, coordination of international environmental governance, monitoring of implementation, communication.

On the other hand, this strengthening would largely result from the rationalization of the activities currently carried out in a dispersed manner by UNEP and Convention bodies, through better coordination and use of synergies (through modalities to be further examined).

A detailed estimation of UNEO's budget, within the framework of future international environmental governance, would of course involve specifying the exact missions that UNEO would be given.

Subject to further studies, it is however unlikely that the global budget volumes would increase significantly

Resources that are currently mobilized within the framework of international environmental governance come from a variety of sources: assessed and voluntary contributions, which are core and non-core, as well as replenishment mechanisms. Within the context of a UNEO, several forms of funding could be possible. In particular, a system that would combine in a clearer manner assessed contributions and non-core, voluntary contributions was considered, taking into account the advances made possible thanks to the voluntary indicative scale of contribution.

The GEF plays an important role in the international governance of environment. The way the Facility operates and the resources it controls give the Facility de facto a coordinating role among the MEAs. A UNEO could improve the way the system operates 1) by providing integrated scientific and technical expertise; 2) by presenting, with the Conventions, strategic orientations defined by Member States; and 3) by improving its role as an executing agency.

4. The place of UNEO :

- **Issues:** the coherence of handling environmental questions within the UN, and the inclusion of the environment within the perspective of sustainable development were considered.

- **Possible responses:** Environmental issues are dealt with in a large number of fora within the United Nations. Along with other UN agencies and international financial institutions, UNEO could improve the current situation by providing these bodies with expertise and by improving coordination (cooperation agreement negotiated with each agency, improvement of the role of the Environmental Management Group).

It could strengthen its cooperation with UNDP in line with the Memorandum of Understanding (MoU) signed between UNEP and UNDP. UNEO could also strengthen the contribution to the work of UNDG by bringing its expertise on environmental issues. It could also develop a closer relationship with the World Bank (and regional banks), which is very active in the area of the environment.

In terms of intergovernmental bodies, a UNEO would be linked to the United Nations under the terms of Articles 63 and 64 of the Charter. An agreement negotiated between ECOSOC and UNEO would create a strengthened relationship between the two organizations. UNEO could consider ECOSOC's recommendations, and should keep the Council informed on a regular basis. ECOSOC could transmit its observations to the General Assembly and provide recommendations, in order to contribute to coordination and coherence within the UN system.

Finally, a more coherent and legitimate UNEO would be able to make an efficient contribution to the work of the Commission on Sustainable Development, in order to fully integrate environmental concerns in the perspective of sustainable development. It would be capable of better implementing the recommendations of the CSD.

5. Institutional issues

- **Issues:** giving more visibility and legitimacy to international efforts in the area of the environment, reducing the risks of loss of coherence and efficiency related with the number of fora and to the dispersed nature of multilateral environmental agreements, contributing capacity building in developing countries so that they are in a better position to implement MEAs, and strengthening scientific expertise in order to provide Member States with the best choices were considered.

The institutional structure of a UNEO should satisfy two criteria in particular: it should ensure the legitimacy of decisions made by Member States, and it should give the organization the capacity to fulfil its mandate.

- **Possible responses:** Transforming UNEP into a United Nations Specialized Agency should give the UNEO the necessary legitimacy to guarantee an efficient implementation of its mandate through its various functions, in particular: 1) a platform for political discussions; 2) coherence of environmental governance; 3) helping developing countries implement environmental policies; 4) strengthening governance at a regional level; 5) coordination and strengthening scientific expertise; 6) monitoring and early warning systems; 7) information, communication and mobilization of the institutions involved; 8) monitoring of agreements.

These functions would have to be examined in details, in the light of further studies on the main issues.

Based on several existing models, the following institutional components could be proposed, subject to more in-depth study: an Assembly whose vocation is universal, a Director General elected by this Assembly (or who is appointed by the Secretary General), eventually an executive board, a secretariat created from UNEP's secretariat, and strengthened regional offices.

A study report for possible design options for UNEO was presented by Germany.

6. Other themes

Other technical issues, which were examined more specifically in Nairobi, were also presented in New York, in particular :

- **strengthening governance at the regional level:** addressing environmental phenomena at a regional level appears to be essential. A UNEO could be given strengthened regional offices, in line with UNEP's current efforts, in order to contribute to the coherence of activities at that level.

- **coordination and strengthening of scientific environmental expertise:** UNEO could bring an important contribution to the international scientific expertise on environmental issues, in particular concerning the observation of the interaction between different phenomena. In this respect, it could have a key role in expert networking. UNEO could also contribute to improving scientific expertise by strengthening national and regional capacities in this area. It could contribute to more efficient data collection and to making this data available to all Member States.

- monitoring and early warning about the state of the environment: UNEO could define a global system for monitoring the state of the environment, based on the Global Resources Information Database (GRID). It could furthermore develop common early warning systems — global and regional —, as other agencies such as WHO and FAO. By operating as a "clearing house mechanism", UNEO would also have the capacity to identify gaps in these areas.

- communication and mobilization: Communication could be a key factor in mobilizing actions and financing, as well as for implementing decisions and strategies. UNEO should be able to rationalize activities to be carried out in the area of communication, to ensure their consistency and to guarantee that they are distributed on the widest possible basis to the public and to political leaders./.

(translated from the French)

Appendix

List of countries participating in the working group

Belgium
Brazil
Burkina Faso
Canada
China
Colombia
Czech Republic
France
Germany
India
Indonesia
Italy
Japan
Kenya
Luxembourg
Mexico
Morocco
Nicaragua
Nigeria
Norway
Senegal
South Africa
Sweden
Switzerland
United Kingdom
Vietnam
+ European Commission