UNITED
NATIONS

EP

**Governing Council
of the United Nations
Environment Programme**

**Twenty-sixth session of the Governing Council/
Global Ministerial Environment Forum**
Nairobi, 21–24 February 2011
Item 4 (b) of the provisional agenda[*]
Policy issues: emerging policy issues

Background paper for the ministerial consultations

Discussion paper presented by the Executive Director

International environmental governance

Summary

> The present paper has been prepared to provide a succinct background briefing for ministers on the second topic of the ministerial consultations to take place at the twenty-sixth session of the Governing Council/Global Ministerial Environment Forum: "International environmental governance". It is intended to stimulate discussion during the ministerial consultations.

---

[*]   UNEP/GC.26/1.

Introduction

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

2.   Sustainable development may be figuratively viewed as a roof supported by three mutually reinforcing pillars of economy, social welfare and the environment. If all three pillars are not equally strong then the roof may become unbalanced. The United Nations Conference on Sustainable Development will take place in 2012. Since it will have as one of its themes the "institutional framework for sustainable development", the Conference will present a valuable opportunity both to think creatively about how to ensure that the three pillars of sustainable development are equally strong and to take action outside the constrained framework of institutions within which the international community usually operates.

3.   If the Conference participants are to take advantage of this opportunity, if they are to tackle the governance problem and create a viable framework for sustainable development, they must bear in mind this metaphor of the roof supported by three pillars and in doing so must acknowledge two vital facts. First, they must acknowledge that the institutions that make up the environmental pillar of sustainable development are fragmented and much weaker than are the institutions that constitute the economic and social pillars. Second, they must acknowledge that this fragmentation, in the form of overlapping agendas and a lack of integration, has at times created weaknesses in the conceptualization and implementation of sustainable development. Having acknowledged these facts they must then grapple with how to remedy the lack of authority observed in the environmental pillar – so that it can support and balance the social and economic pillars – and they must devise a way to provide greater overarching coordination and authority for sustainable development as a whole.

4.   The present paper shows the relative weakness of the environmental pillar, its importance and fundamental value to economic development, social welfare and human well-being notwithstanding. It focuses on the governance of the environmental pillar and argues that if the framework for sustainable development is to be reinforced it must begin with strengthening both the environmental pillar and the coordination function of the governance umbrella for sustainable development. It offers some key messages that should be considered if progress is to be made in better integrating the environment pillar into the framework of sustainable development and concludes by posing some questions for ministers on the suggested approach and what tangible results they would like to see for the environment as an outcome for the Conference.

I.   Environment and sustainable development: the importance of the environment to the economic and social pillars

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

---

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

6.   This situation has done little to advance the sustainable development agenda and has detracted from the original premise that environmental sustainability, economic development and social welfare are complementary goals (see figure). As a result, the importance of the environment to the other two pillars of sustainable development has yet to be sufficiently recognized in mainstream policymaking.[2]

Links between ecosystem services, sustainable development and human well-being
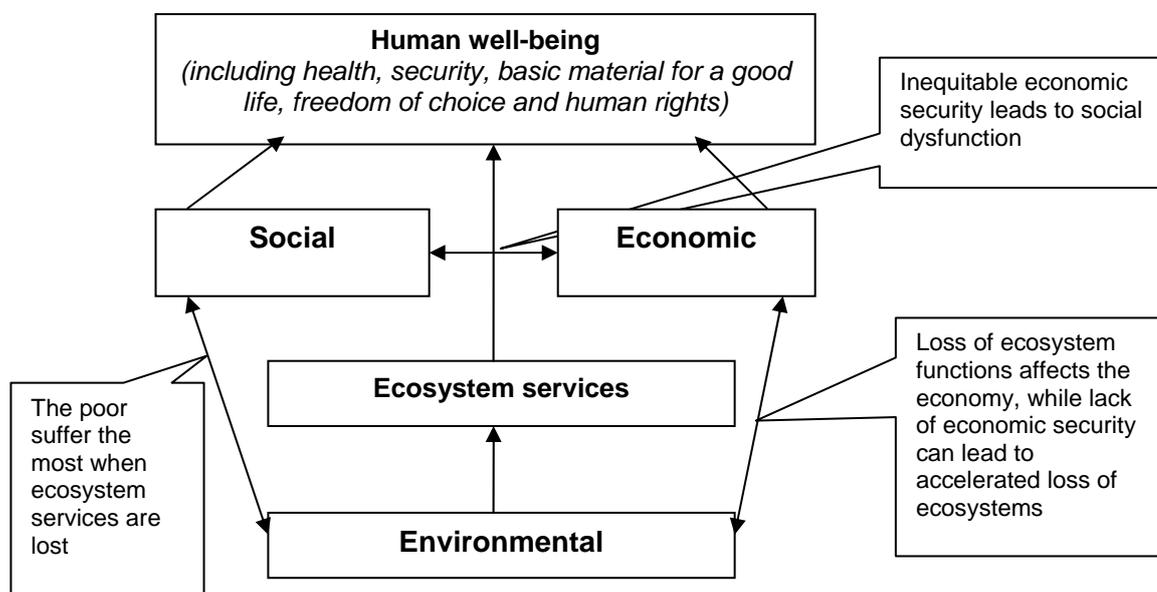
7.   Environmental issues are intertwined with many economic development and social issues and are intricately interwoven with poverty. The Millennium Ecosystem Assessment shows that there is a direct relationship between the health of the environment (ecosystems) and economic and social welfare, establishing conclusively that efforts to alleviate poverty and improve human well-being will not succeed where environmental degradation is allowed to continue. Underlying all the resources that we use are ecosystem processes: the biological, chemical and physical interactions between the components of ecosystems (e.g., soil, water and species). These processes produce benefits to people (or ecosystem services) in the form of food, clean water, carbon sequestration and reductions in erosion, among others.[3] In essence, the goods and services that drive our economy and support our social systems are derived largely from a healthy and functioning environment.

8.   The environment, however, is under threat. Regular scientific assessments and reviews show an alarming decline of the environment as a result of human impacts (see box 1).[4] These reports show that, in the aggregate, between one third and one half of the planet's land surface has been transformed by human activity. The interim report on the economics of ecosystems and biodiversity[5] estimates that over the past century 35 per cent of mangroves and 40 per cent of forests have been lost, while 50 per cent of wetlands and 60 per cent of ecosystem services have been degraded over the past 50 years. Species loss is 100–1,000 times higher than in geologic times and will worsen with climate change. In terms of the world's fisheries, 80 per cent are fully or over-exploited and critical thresholds are being exceeded: for example, coral reefs risk collapse if carbon dioxide emissions are not urgently reduced.[6]

---

2   David G. Victor, "Recovering Sustainable Development", *Foreign Affairs*, vol. 85, No. 1 (2006).

3   R. L. Goldman, "Ecosystem services: how people benefit from nature", *Environment: Science and Policy for Sustainable Development,* vol. 52, No. 5, pp. 15–23.

4   The international community has continuously synthesized scientific and national reports into numerous global reviews, such as those in the series published by the Intergovernmental Panel on Climate Change in 1990, 1992, 2001, 2005 and 2007, the *Global Environmental Outlooks* of UNEP (the fourth in 2007), the *Human Development Reports* of the United Nations Development Programme (annually since 1990), the *World Resources Reports* of the World Resources Institute (in 2000, 2002, 2005 and 2008), and the *WWF Living Planet Reports* (the latest in 2008, but reporting on species population trends since 1970).

5   See TEEB (2009) The Economics of Ecosystems and Biodiversity: An Interim Report. The most recent report in the series of reports on the economics of ecosystems and biodiversity was released in October 2010 in Nagoya, Japan, at the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity. All the reports can be found at www.teebweb.org/.

6   TEEB (2009), *The Economics of Ecosystems and Biodiversity for National and International Policy Makers*.

B. Links between the environment, economic development and social welfare

9.   A stable environment, the fostering of economic and social development and the enhancing of human well-being (including security, the basic material for a good life (for example, sufficient nutritious food), health and good social relations) are interlinked and inseparable and prosperity and poverty reduction depend on maintaining the flow of benefits from ecosystems.

10.   Goods and services derived from the environment have contributed to substantial net gains in economic development, social welfare and human well-being overall. The version of the report on the economics of ecosystems and biodiversity for national and international policy makers shows that the economic and social sectors are directly concerned with biodiversity and ecosystem services, including agriculture, fisheries, forestry, development, health, energy, transport and industry. Several depend on natural capital for their flow of inputs, research, new products and business innovation. For example, 20–25 per cent of the pharmaceutical sector's turnover (some $650 billion per year) is derived from genetic resources, and ecotourism generates around $100 billion per year in employment. Overall, the report estimates, failure to halt biodiversity loss on land may cost $500 billion by 2010, this being the estimated value of ecosystem services that would have been provided had biodiversity been maintained at 2000 levels. At sea, unsustainable fishing reduces potential fisheries output by an estimated $50 billion per year.[7]

Box 1

Human impacts on ecosystems[8]

-   Evidence of global warming as a result of human production of carbon dioxide and other greenhouse gases is now unequivocal.
-   Three quarters of the habitable surface of the Earth had been disturbed by human activity by the end of the twentieth century.
-   People represent 0.5 per cent of animal biomass on Earth yet, on average, human appropriation of net terrestrial primary production is estimated to be 32 per cent. Locally and regionally, impacts are much greater.
-   Human activities are now the most significant force in evolution.
-   Human activities have increased previous background extinction rates by between 100 and 10,000 times.
-   Between 5 and 20 per cent of the some 14 million plant and animal species on Earth are threatened with extinction.
-   In 2005, some 60 per cent (15 of 24) of ecosystem services evaluated by the Millennium Ecosystem Assessment were being degraded or used unsustainably.
-   The population of large predatory fish is now less than 10 per cent of pre-industrial levels. Overharvesting has devastated both ocean and inshore fisheries.
-   More than two million people globally die prematurely every year as a result of outdoor and indoor air pollution and respiratory disease.
-   Per capita availability of freshwater is declining globally, and contaminated water remains the single greatest environmental cause of human sickness and death.
-   Over a billion people in developing countries rely on fish as a major source of food and over half of all commercial medicines derive from natural substances, mostly sourced in rainforests.
-   The rural poor are particularly hard hit by the loss of natural capital, as it affects 47–89 per cent of their income.

---

11.   These gains have been achieved at an ever-growing cost in the form of degradation of many ecosystem services, increased risk of non-linear changes and exacerbation of poverty for some groups of people.[9]

---

7   Ibid.

8   Adapted from W. M. Adams and S. J. Jeanrenaud, *Transition to Sustainability: Towards a Humane and Diverse World* (Gland, Switzerland, International Union for Conservation of Nature, 2008), p.16. Available from http://data.iucn.org/dbtw-wpd/edocs/2008-017.pdf.

9   Millennium Ecosystem Assessment (2005). Ecosystems and Human Well-Being: Synthesis. Washington, DC: Island Press See also TEEB (2010) The Economics of Ecosystems and Biodiversity: Mainstreaming the Economics of Nature: A synthesis of the approach, conclusions and recommendations of TEEB.

C.   **Moving towards better integration of the three pillars of sustainable development**

12.   The assessments referred to above show that, while a serious threat looms, it is possible to reverse the degradation of the environment over the coming 50 years. The required changes in policy and practice are not, however, under way.[10] The 2010 report on mainstreaming the economics of nature in the series of reports on the economics of ecosystems and biodiversity[11] clearly lays out the challenges but also demonstrates that we can create a clear and achievable strategy for dealing with these issues. The intent of highlighting the problems associated with environmental change is not to be the harbinger of doom, but rather to figure out how to move from defining the problem to finding applicable solutions.

13.   The need for growth and development and the need to protect and maintain the natural environment are often pitted against each other as opposing objectives. In reality, the world's economies would grind to a halt without the services that ecosystems provide. Environmental policy is greatly affected by economic planning and activity, making consideration of the environment in isolation from economic activity and development is an ineffective approach to achieving sustainability. Equally, economic planning that ignores environmental impacts may result in increased negative impacts on resource use and human well-being. Accordingly, the institutional basis for decision-making must integrate environmental and economic decision-making to create sustainability.[12]

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

15.   Improving environmental conditions to reduce poverty involves changing institutions and policy instruments. It has been argued that the causal roots of environmental degradation lie in institutional and policy issues rather than in poverty itself[13] and that the relationship between poverty and environment is mediated by institutional, social, economic and cultural factors.[14]

16.   One of the major policy priorities for improved environmental sustainability is, therefore, improving international environmental governance. To meet the challenges of sustainable development, and taking into account developments since the United Nations Conference on the Human Environment, current structures and institutions in the economic, social and environmental fields, in addition to their respective links, need to be strengthened at the international, regional and national levels, so as to ensure coherence, integrate policies, limit overlap and strengthen implementation and accountability.

II.   **Weakness of environmental governance in the context of sustainable development**

17.   As environmental services underpin social and economic welfare and consequently sustainable development, the governance systems of all three pillars together form the core elements of sustainable development governance. A functioning sustainable development governance system requires that the governance structure for each pillar be equally strong and that all three be mutually supportive.

---

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

11   TEEB (2010) The Economics of Ecosystems and Biodiversity: Mainstreaming the Economics of Nature: A Synthesis of the Approach, Conclusions and Recommendations of TEEB.

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

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

14   Ibid, p. 23.

18.   When comparing the strengths of the economic and social pillars it becomes apparent that they have much stronger foundations than does the environmental pillar, in that they possess strong anchor institutions that determine global and regional policies that generate trickle-down effects to the national level. Within the economic pillar, the international financial institutions, in particular the World Bank Group, the International Monetary Fund and the World Trade Organization, provide strongholds for economic interests with substantial influence on national policies. They owe their influence to their own governance structures and their endowment with financial leverage and compliance controls. The institutional set-up in the economic sphere also exemplifies the close interrelationship between money and power.

19.   Within the social pillar, institutions such as the United Nations Development Programme, the International Labour Organization and the World Health Organization have their specific areas of expertise, underpinned by internationally agreed standards and principles. While governance structures at the international level are not as stringent as within the economic sphere and are less well-endowed financially, the moral imperative for decision makers to ensure social well-being and the potential political pressure of a constituency that can speak on its own behalf provides a sufficient basis for successful action. Within the social sphere, the specialization of bodies dealing with specific issues also guarantees a relatively broad coverage of social issues.

20.   The environmental pillar, with its fragmented governance structure and relatively meager financial means, is much weaker than the economic and social pillars. It owes its weakness to a number of factors. One is that protection of the environment lacks the moral significance attributed to the protection of human lives. Another is that in economic terms it is generally viewed as a "public good";[15] in greatly simplified terms this means that it is seen as something to be freely enjoyed by humans, owned by no one and having no economic value or cost. Given the characteristics of the environment, its protection would mandate a strict governance structure or abundant resources to ensure its protection through incentives.

21.   The relative weakness of the environmental pillar was recognized by the Secretary-General in his report to the Preparatory Committee for the United Nations Conference on Sustainable Development at its first session (A/CONF.216/PC/2), when he wrote that "the environmental pillar is perhaps where progress has been the slowest" and that "most indicators of environmental improvement have not demonstrated appreciable convergence with those of economic and social progress; indeed, the overall picture is one of increased divergence."[16]

22.   Effective management of the environment faces an additional hurdle in that the environment interlinks with a multitude of other sectors located within the economic and social spheres, including finance and development, industry, agriculture, health and culture. This has meant that sustainable development has not been forcefully implemented, for its implementation requires the economic and social pillars to integrate the environment into their decision-making processes even while they do not see it as a main area of concern to them.

23.   In addition to the weakness of the governance system of the environmental pillar itself, the lack of a sustainable development entity with sufficient authority to achieve coordinated governance of the three pillars means that the overall governance of sustainable development is also weak.

24.   Albeit formulated at the international level, global policies and agreements ultimately need to be implemented at the national level. It is therefore necessary to look at the national level and examine the governance structures for sustainable development there.

A.   Sustainable development governance at the national level

25.   The basis for sustainable development action at the national level is derived from international policies, in particular Agenda 21,[17] in which the United Nations Conference on Environment and Development envisaged that the necessary harmonization and extension of existing policies and plans would occur through the adoption of an identifiable strategy for sustainable development, with the overall objective being "to improve or restructure the decision-making process so that consideration of socio-economic and environmental issues is fully integrated and a broader range of public

---

15   In economics, a public good is a good that is "non-rivalrous" and "non-excludable". A good is non-rivalrous when its consumption by one individual does not reduce its availability for consumption by others; a good is non-excludable when no one can be effectively excluded from using it.

16   Ibid., para. 23.

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

participation assured".[18] In 2006, the International Institute for Sustainable Development, in cooperation with the Organization for Economic Cooperation and Development, carried out a study to assess the efforts of 21 countries[19] in designing and implementing national sustainable development strategies. The authors of the study examined six crucial governance elements and produced associated effectiveness criteria.[20]

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

27.   Since the establishment of UNEP, which was mandated by the General Assembly in its resolution 2997 (XXVII) of 15 December 1972 to coordinate environmental activities within the United Nations system and to keep the environment under review, a multitude of other bodies that also deal with environmental issues have been set up, resulting in substantive overlaps (sometimes even contradictions) and administrative inefficiency. A main finding by the Joint Inspection Unit in its management review of environmental governance within the United Nations System was that the current framework of international environmental governance was weakened by institutional fragmentation and specialization and the lack of a holistic approach to environmental issues and sustainable development.[21]

28.   A second major reason for the weakness of the environmental pillar is the lack of accountability within the governance regime. Accountability in this context should be read as an overarching term to describe systems that facilitate the implementation of policies and agreements in a manner that is entirely in line with the principle of common but differentiated responsibilities. Hence, accountability in this context must be considered innovatively, in that accountability measures need to be firmly backed up by capacity-building and technological support.

B.   Lack of authority

29.   While fragmentation and a lack of accountability could, to some degree, be overcome by strong leaders who could, like the conductor of an orchestra, enhance collective efforts and call underperforming players to account, there is no such leader of the international environmental governance system as it stands today, with obvious consequences for the implementation gap. The system does have a nominal leader in UNEP, whose mandate is, according to paragraph 2 of the Nairobi Declaration on the Role and Mandate of UNEP, adopted by the Governing Council of UNEP in its decision 19/1 of 7 February 1997, "to be the leading global environmental authority that sets the global environmental agenda, that promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and that serves as an authoritative advocate for the global environment". Governments, however, have not yet equipped UNEP with the necessary means to play its role effectively.

C.   Strengthening sustainable development governance by strengthening environmental governance

30.   Based on the explanations above, the strengthening of international environmental governance will directly contribute to the strengthening of sustainable development governance.[22]

---

18   Ibid., para. 8.3.

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

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

21   JIU/REP/2008/3, p. iii.

22   Material on the environmental pillar can be found in the background documentation for the meetings of the Consultative Group of Ministers or High-level Representatives on International Environmental Governance at www.unep.org/environmentalgovernance/Introduction/GCfeb2010/tabid/4556/Default.aspx.

D. Creating a system of incentives for effective implementation

31. To enhance the implementation of existing environmental laws and policies to support sustainable development, the three main challenges to an effective international environmental governance system as outlined above need to be tackled. A logical point of departure for overcoming the fragmentation and inefficiency challenge and making the collective system more successful would be to enhance the capacities of its leadership. Flowing from that would be greater accountability of the entire system to Governments and the ultimate beneficiaries of the system, the global citizenry. In the paragraphs below, specific measures for tackling each main challenge are described.

32. In terms of tackling the authority challenge, based on existing mandates, the authority of UNEP should be enhanced by opening up the membership of its Governing Council to all Governments on a permanent basis.

33. To take on the fragmentation and inefficiency challenges, it is necessary to have a system-wide environmental strategy, to achieve synergies through the clustering of multilateral environmental agreements and to align global policy with global financing. The last-mentioned would provide for more effective and efficient allocation of funds and could be achieved by increasing the institutional links between the Governing Council and the Global Environment Facility.

34. To deal with the accountability challenge, it would be necessary to make review a key function of the Global Ministerial Environment Forum, to implement independent third-party reviews and performance monitoring, to create incentives for performance and early action and to establish a global version of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters.

35. Effectively tackling the implementation challenge would also require a better response to countries' needs at the national level, including, in the case of developing countries, enhanced integration of the environment into United Nations development assistance frameworks and country teams. Moreover, it would require a greater overall commitment to environmental funding.

36. While a strengthening of the environmental pillar is imperative for laying the ground for sustainable development, an overarching governance system that will ensure the integration of the three pillars is a necessity for moving towards sustainable development, taking into account the lessons learned at the national level.

III. Strengthening the overarching coordination of sustainable development

37. Dealing with the weakness of the environmental pillar of sustainable development alone will be insufficient, and such action must go hand in hand with a stronger governance umbrella that can effectively coordinate the other pillars and implement and review the sustainable development agenda.

38. Section XI of the Johannesburg Plan of Implementation of the World Summit on Sustainable Development, known as the Johannesburg Plan of Implementation,[23] sets out a blueprint for the institutional framework for sustainable development. It provides detailed recommendations as to how existing institutions can strengthen their current activities and carry them out within the context of sustainable development. It mandates three key institutions to oversee the integration of the three pillars of sustainable development and to monitor its implementation and review:

(a) The General Assembly was to adopt the concept of sustainable development as an overarching policy framework for the United Nations system and was to ensure political momentum and provide direction;

(b) The Economic and Social Council was to coordinate sustainable development activities among United Nations subsidiary bodies, funds, programmes and specialized agencies;

(c) The Commission on Sustainable Development was to create coherence between the three pillars of sustainable development from a thematic point of view and review the implementation of Agenda 21. Other international institutions were tasked with implementing Agenda 21 in the context of sustainable development but with a focus on their respective areas of work.

---

23 *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

39.   While on paper the Johannesburg Plan of Implementation provides seemingly clear directions, in practice the concept of sustainable development, rather than becoming a strategy that would spread through the entire work of the United Nations and provide the core guidance for all United Nations activities, developed into a separate item on organizations' agendas. The Plan also failed to establish and ensure the necessary authority at the political level to enable monitoring of whether and how policies for sustainable development were incorporated into the planning and budgeting of the United Nations system and integrated into the work of United Nations agencies. The same applies to the review of implementation at the national level. This raises questions as to whether the framework could be strengthened based on a better understanding of its current weaknesses and gaps. An overall analysis should become part of the preparations for the United Nations Conference on Sustainable Development to facilitate a genuine understanding of the problems and provide adequate solutions.

40.   At the national level such analyses exist and from these several lessons can be learned with regard to successfully integrating sustainable development into national policymaking and implementation (see box 2).[24] These lessons learned can also provide insights into what could constitute the elements of the changes that need to be in the institutions responsible for environmental governance at the international level.

Box 2
Elements deemed successful for integration of sustainable development at the national level

High-level coordination	Coherence and strategy	Budgeting	Authority	Monitoring and evaluation	Review	Stakeholder involvement
In theory the Economic and Social Council is to play this role. It acts, however, as a forum rather than a coordination mechanism, while coordination requires legal authority and legitimacy to ensure that planned activities are carried out.	Agenda 21 and the Johannesburg Plan of Implementation are the plans for implementing sustainable development but they are very complex high-level documents, which need to be operationalized across the United Nations system.	There is no review of the level of financing or what part of United Nations budgets are dedicated to fostering sustainable development.	Many of the proposals that have been made apply to establishing authority over a system that is very diffused.	Recommendations of the Commission on Sustainable Development are expected to be implemented at the national level but there is no systematic review or monitoring of implementation. United Nations institutions under the economic, environmental and social pillars are meant to implement Agenda 21, the Johannesburg Plan of Implementation and other sustainable development outcomes but there is no monitoring, review or authority to ensure that sustainable development policies are implemented.	The Commission on Sustainable Development provides a review of its own work programme but not of the implementation of sustainable development through other institutions such as UNDP, UNEP, FAO, UNESCO, etc. No review of national policy implementation is done.	While stakeholders are highly represented in the Commission on Sustainable Development their input is rarely taken into account. Reforms of the framework should build on original models of stakeholder participation within the Commission.

---

24   Box 2, including its title, is reproduced from Swason, 2006, without change from the original.

41.   Participants at the United Nations Conference on Sustainable Development are expected to examine how to strengthen the institutional framework for sustainable development and many proposals have been made to that end, including some that have also been proposed in the consultative processes on international environmental governance:

(a)   Establishing a new umbrella organization for sustainable development;

(b)   Reforming the Economic and Social Council and the Commission on Sustainable Development.

42.   Other proposals have been made in other forums or by academic institutions:

(a)   Converting the Commission on Sustainable Development into a sustainable development council under the General Assembly;[25]

(b)   Reforming the Trusteeship Council to make it a higher-level sustainable development council;[26]

(c)   Creating a sustainable development board;

(d)   Merging the United Nations Development Programme and the United Nations Department for Economic and Social Affairs, creating a sustainable development implementation arm of the United Nations.

43.   Many of these proposals could indeed lead to a stronger framework. An analysis of the legal implications and the costs and benefits of each could be useful in understanding where the gaps lie and what changes are needed. A process, such as that of the Consultative Group of Ministers or High-level Representatives on International Environmental Governance, could be a useful way of doing so and of reviewing success stories at the national level.

V.   Key messages for the United Nations Conference on Sustainable Development

44.   The high-level consultative process on broader international environmental governance reform established by the Governing Council in its decision SS.XI/1 of 26 February 2010 has led to several proposals to strengthen and improve coherence in the international environmental governance system. The aim of those proposals, set out in the Nairobi-Helsinki Outcome, [27] is an international environmental governance system capable of achieving the objectives and performing the functions identified by an earlier consultative group of ministers and high-level representatives, established by the Governing Council in its decision 25/4, whose work came to be known as the "Belgrade Process".

45.   The participants at the United Nations Conference on Sustainable Development could welcome the results of the high-level consultative process as a positive step toward strengthening the environment pillar as the weakest of the three pillars of sustainable development. The Nairobi-Helsinki Outcome is also a positive step towards more coherence between economic, social and environmental interests throughout the United Nations system and between environmental sustainability and economic and social development. As has been argued in the present paper, the international environmental governance system is complementary to and supportive of sustainable development as a whole, including all three pillars.

46.   Several key messages can be drawn from both the high-level consultative processes and discussions on international environmental governance reform in the Governing Council/Global Ministerial Environment Forum.

47.   The environment provides crucial support for the social and economic pillars of sustainable development, yet the environmental governance system is deeply fragmented and lacks an anchor institution that can act with authority to protect the environment and work effectively and system-wide within the United Nations system.

48.   The Governing Council of UNEP, as requested by the co-chairs of the informal consultative process on the institutional framework for the United Nations' environmental activities established by

---

25   A/CONF.216/PC/2, para. 69.

26   Ibid.

27   The Consultative Group of Ministers or High-Level Representatives on International Environmental Governance met in Nairobi from 7 to 9 July 2010 and in Espoo, Finland, from 21 to 23 November 2010. The outcome of its work, which was adopted by the Group at the Espoo meeting, is known as the Nairobi-Helsinki Outcome and has been reproduced in document UNEP/GC.26/18.

the General Assembly at its sixtieth session upon the proposal of the President of the Assembly in follow-up to the World Summit on Sustainable Development, has undertaken two rounds of substantive discussions on strengthening the environmental pillar of sustainable development, producing many background papers and two important outcomes. The Belgrade Process was guided by the principle that form should follow function and produced the objectives and corresponding functions for an international environmental governance system in the context of environmental sustainability and sustainable development. The Nairobi-Helsinki Outcome followed and was an important step forward in identifying the gaps in the current functions and in suggesting system-wide reforms to fill those gaps. It also produced and narrowed several options for institutional reform.

49.   The incremental reforms identified by the consultative group of ministers or their high-level representatives established by Governing Council decision 25/4 were presented to the Council at its eleventh special session and taken note of in decision SS.XI/1. They are important for improving international environmental governance in the short term, but, to achieve the objectives and functions identified by the Belgrade Process, they will be insufficient. Transformative change is required if the international environmental governance system is to deliver on these objectives and functions.

50.   During the two consultative processes, participants were unable to reach consensus on the nature of the institutional reform that would be most effective for international environmental governance. They did, however, identify several potential options and the time is ripe for a decision to be taken at a politically higher level, such as at the United Nations Conference on Sustainable Development.

51.   Although much analysis has already been undertaken to inform such a decision, further analysis could be provided through UNEP, other United Nations agencies and the Environment Management Group, if required.

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

VI. Questions for ministers to consider with a view to the United Nations Conference on Sustainable Development

53.   Reforming international environmental governance will raise questions as to the relationship between its current institutional structures and those of the economic and social sectors, in addition to whether an effective overarching institutional framework for sustainable development can be created. Ministers' discussions could therefore take a forward-looking stance on how to coordinate and integrate environmental governance and possible reforms into sustainable development. Questions that could be considered include:

       (a)   If strengthening environmental governance is acknowledged as a priority, what are the key political impediments to agreeing on reforms?

       (b)   How would a strengthened international environmental governance system be integrated into a reformed institutional framework for sustainable development?

       (c)   What would be the relationship between an enhanced international environmental governance system and the Commission on Sustainable Development?

       (d)   How can a more coherent international environmental governance system better help to achieve sustainable development at the national level?

       (e)   How can financing for sustainable development and for the environment be better coordinated and integrated and made more accessible?

       (f)   Could the United Nations Conference on Sustainable Development deliver a reform package on sustainable development governance and, thus, international environmental governance, and what would be the implications for the Preparatory Committee process?

—————————————