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Environmental and Sustainability Governance – Thoughts from an Industry Perspective

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Introduction and Summary

Expectations for a more sustainable future that were kindled in the 1992 UN Conference on Environment and Development in Rio¹ have not been met. It is generally accepted that governance and the global institutions governments create must change to better advance sustainable development. That is why the topics of an **Institutional Framework for Sustainable Development (IFSD)** and the related **International Environmental Governance (IEG)** will be primary themes to be dealt with at the upcoming UN Conference on Sustainable Development (Rio +20).

The tasks of redefining IFSD and IEG will not be straightforward, however. Rio +20 is not merely designing (or redesigning) institutions to fill gaps. There is a need to re-think our approach to governance. There are huge **Forces of Change** challenging our traditional approaches to governance. The pressures of globalization are particularly significant and they are changing in fundamental ways the character of the “governance” challenge. The environmental dimension of the sustainability triad has also been evolving in ways that are testing the limits of our governance institutions. And the nature of sustainable development, itself, is a challenge to historic approaches to governance in response to global problems.

There is also an extraordinary **Opportunity** that has been created by the significant progress in advancing sustainability over the past 20 years. This can be leveraged far more effectively. Adaptation has been occurring particularly within Business & Industry, and much of that change has been in the direction of globally stronger, more responsive attention to environment and sustainability. That adaptation can play an extremely important role in advancing sustainability globally, if the governance frameworks recognize and embrace it.

1 Output of the 1992 UN Conference on Environment and Development is contained in Agenda 21, accessible at: <http://www.un.org/esa/sustdev/documents/agenda21/english/Agenda21.pdf>

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These realities have significant **Implications for Governance**. It will not be “business as usual” for the governments and their global intergovernmental organizations (IGOs). The conventional approach of defining a problem and creating an entity to address it will not significantly advance “Sustainable Development.” Instead, leadership and high-level commitment from both the governments and their global IGOs will be needed, dedicated to delivering more coherent and coordinated direction at both the country and intergovernmental levels. Governments will also have to redefine their relationship to the key non-governmental actors, and effectively leverage the positive change occurring there.

Forces of change

The fundamental challenges to which governments must adapt are driven by globalization, the evolving nature of the environmental dimension, and the integrative nature of Sustainable Development, itself.

Globalization

In a sense, this is all about the forces of globalization. These forces are challenging sovereign control. The economic and social systems of most sovereign states were once largely self-contained. Outside influences were limited and to a significant degree controllable. That is no longer the case. The impact of forces such as the internet and related telecommunication advances has been huge. The evolution of transportation technologies has shrunk the world and delivered its own social and market implications.

Markets and trade have been fed by these developments, and have evolved to global scale in many areas. Key to that extraordinary acceleration of global markets was the dissolution of Communist economic ideology in the late 20th century. The emergence of China and India, in particular, has shifted eastward major centers of gravity in numerous markets. It has led to unparalleled connectivity in the global economy; and to unparalleled prosperity in both of those huge population centers and a host of other developing nations.

All of these have contributed to the extraordinary spread of economic and social linkages that have become increasingly prominent in the affairs of nations all around the globe. This all reflects an erosion of sovereign control. The forces shaping national economic and social affairs are no longer self-contained within any one nation. Intergovernmental cooperation and coordination are now required. But such coordination carries its own challenges. Nation states are acutely conscious of the pressures of globalization and the tradeoffs in sovereign control invited by coordinated response to them.

The Changing Face of “Environment”

The rapid evolution of “environment” is both a fundamental driver of sustainable development and one of the major challenges in advancing it. Its entry into the sustainable development triad is relatively recent. It has only been in the past 50 years that environment has come to prominence paralleling the social and economic dimensions.

In contrast, the social and economic institutions have been evolving over millennia; and long ago became central features of the nation states that evolved around them. The institutions spawned by our environmental concerns are only just now taking



shape. In many respects, environment is not yet mature as a focus of attention and awareness, even at the national level. That reality has huge implications for both IEG and IFSD.

Most governments have some measure of environmental governance, but far fewer have institutionalized sustainable development in its broader context. Even with environmental governance, both science and awareness have evolved significantly. Institutions of governance are being tested by developments in the environment and sustainability areas.

We have become more and more conscious of extra-territorial impacts of pollution that are posing problems for governance limited by sovereign bounds. And with the evolving science, our attention has migrated from facility-specific concerns and their visible insults to the environment, to less direct human and environmental impacts associated with products. This includes more systematic attention to the life-cycle impacts of products, involving entire global value-chains.

Products are now produced, marketed and in some cases disposed of in multiple jurisdictions, so the limits of sovereign authority and traditional notions of direct regulatory control become a challenge. Even though the attention of the environmental community is increasingly focused on these life-cycle, product-centered concerns, no government has yet institutionalized a comprehensive response to them.

The environmental frontier is migrating as it matures, and governments (as well as business & industry) are struggling to adapt to that. In many aspects there is still not yet a common vision of what should be addressed on this frontier, let alone what institutional structures would best enable that. It is becoming increasingly apparent, though, that international coordination will be central to the environmental dimension of sustainable development.

The “integrative” Nature of Sustainable Development

Governments typically try to address a problem by designing a process or institution to address it, with minimal interaction with existing institutions. This is evident in the compartmentalized IGO structures that have evolved as governments (often different arms of the same governments) have chosen to address separately various areas of concern. We are left with a patch-work of IGOs, each functioning relatively independently.

The concept of sustainable development, however, is an insightful leap beyond that. At its core is recognition that the social, economic and environmental dimensions are inherently interrelated. “Sustainable development” is less an attainable external state than it is a mindset that takes all three dimensions into account when decisions are being made. The challenge is therefore not one of creating new institutions, but of getting existing institutions to deliver mutual awareness and respect, recognizing that actions in one area can affect the other two. Among intergovernmental institutions, it is often quite the contrary that prevails: they jealously guard against encroachment.

Overcoming this and delivering true integration of the sustainability dimensions will not require new authorities. But it will have to be made a priority, and be backed-up by the authority of firm expectations from the governments, delivered clearly and consistently to all relevant IGO regardless of whether they are dominantly economic, social or environmental. This may be the greatest challenge in governance to be faced in Rio.



Opportunity

Sustainable development cannot be delivered by governments alone. We will truly be on the road to sustainable development only when institutions ranging from governments to industry to households instinctively understand the interrelationships of social, economic and environmental order, and adjust their actions accordingly.

Fortunately, many of the major institutional actors outside of governments have already begun this adjustment. It has only been 20 years since the initial Rio Conference for the first time focused the attention of the world on “sustainable development.” The global penetration of these ideas and the way that institutions have adapted to them in that short time is quite remarkable. The challenge for governments and intergovernmental institutions is to recognize, reinforce and leverage this to reach even more broadly and deeply.

Adaptation within Industry

Global industry is a particularly important example of how non-governmental organizations are adapting to the heightened awareness and concern with sustainability. Companies evolved the ability to mobilize resources globally. Societies, particularly over the last century, came to rely upon corporate enterprise to deliver goods and services on an increasingly mass scale. They still do, but that scale has reached the level where it is threatening the environment upon which we depend. Increasingly, companies have come to realize that responsible corporate citizenship is taking on new dimensions as a result. It is coming to extend to social and environmental responsibility, as well, on a global basis.

Evidence of the penetration of these ideas within industry is broad and growing. For example, the *KMPG International Survey of Corporate Responsibility Reporting 2011*² showed that 95% of the 250 largest companies around the globe now report on broader measures of corporate responsibility, not just financial performance. The report showed 80% follow the Global Reporting Initiative (GRI)³ standards that are widely regarded as the most highly developed, combining environment, social and governance reporting. Global industry leadership is responding to rising expectations.

Those global leaders are typically at the hub of enormous global supply- and distribution-chains – “value-chains”. Efficiently mobilizing such vast networks requires them to overcome the constraints of geopolitical and social boundaries – they must find ways of communicating and organizing consistently and effectively across many boundaries. It is an expertise that is very highly evolved in global corporations; and the instinct to standardize approaches to common challenges is now deeply imbedded. That instinct is increasingly being applied to meet expectations around environment and sustainability.

The 2011 report on *Keeping Track of Our Changing Environment*⁴, by the United Nations Environment Program (UNEP)⁵, for example, cites the 230,000 company certifications under the Environmental Management Standard of the International

- 2 KMPG International Survey of Corporate Responsibility Reporting 2011, KMPG International, 2011; <https://www.in.kpmg.com/SecureData/aci/Files/corporate-responsibility2011.pdf>
- 3 Information on the Global Reporting Initiative is available at: <https://www.globalreporting.org/Pages/default.aspx>
- 4 *Keeping Track of Our Changing Environment*, United Nations Environment Program, 2011, http://www.unep.org/geo/pdfs/Keeping_Track.pdf
- 5 See: <http://www.unep.org/>



Organization for Standardization⁶ (ISO 14000) in 2009. That standard didn't even exist until 1999. Management standards such as ISO 14000, ISO 9000 (Quality Control) and ISO 26000 (Corporate Social Responsibility) are important to industry as tools through which to achieve a "common currency" of quality, responsibility and practice. For purposes of IFSD and IEG, however, it is useful to consider them as highly developed tools that are very effective at disciplining very complex global value chains. These tools are already beginning to spread the "sustainability mindset" even in the furthest reaches of the globe; and should be recognized, encouraged and rewarded.

Sector-Specific Responses: Perhaps more important to the specifics of Agenda 21 is the fact that this broadening of awareness and engagement is paralleled in many industries by deeper efforts to establish more sustainable practices within particular sectors and value-chains.

The International Council of Chemical Associations (ICCA)⁷, for instance, has a number of initiatives advancing sustainable development themes. Responsible Care[®], for example, is the chemical industry's global initiative that drives continuous improvement in health, safety and environmental performance. Launched in 1985 by the Canadian Chemical Producers' Association, it is now a Global Charter, involving over 50 national chemical manufacturing associations. Through them it reaches thousands of chemical sites around the world, driving standards of health, safety and environmental performance even where there are not highly developed regulatory systems. The industry now has added a Global Product Strategy, applying similar approaches to improve the industry's management of chemicals throughout the value chain.

Another example of adaptation by industry is the Greenhouse Gas Protocol⁸, developed jointly by the World Business Council for Sustainable Development (WBCSD)⁹ and the World Resources Institute (WRI)¹⁰. This pioneering work began in 1998 and has established the foundation for greenhouse gas accounting that now underpins critical government programs such as the Kyoto Protocol and the EU Emissions Trading System. It grew out of a joint recognition by WRI and WBCSD that there was a major technical gap emerging that had to be filled by a fundamentally new global standard.

This type of adaptive response to the growing environmental and sustainability concerns is mirrored in numerous industry initiatives at many levels, such as:

- the chemical industry's support of the joint UNEP-UNIDO Resource Efficient and Cleaner Production (RECP) Programme¹¹,
- the WBCSD's Cement Sustainability Initiative (CSI)¹²,
- the International Council on Mining and Metals' Sustainable Development Framework¹³,

6 Information on the various ISO standards, including ISO 14000:2004 and ISO 26000:2010, can be obtained at http://www.iso.org/iso/iso_catalogue.htm

7 For information on all the ICCA programs, see: <http://www.icca-chem.org/>

8 Information on the Greenhouse Gas Protocol and related developments is available at: <http://www.ghgprotocol.org/>

9 See: <http://www.wbcsd.org/home.aspx>

10 See: <http://www.wri.org/>

11 See: http://www.unep.fr/scp/cp/unep_unido_prog.htm

12 See: <http://www.wbcsdcement.org/>

13 See: <http://www.icmm.com/our-work/sustainable-development-framework>



- the World Bank's public/private Global Gas Flaring Reduction partnership (GGFR)¹⁴,
- the UNEP-initiated Partnership for Clean Fuels and Vehicles (PCFV)¹⁵, and
- WBCSD's Tire Industry Project¹⁶.

As these examples illustrate, industry (often in conjunction with others in civil society) is taking more ownership of environmental and sustainability performance. Critics can certainly have differences with the details of any of these initiatives, but collectively they represent significant, systemic movement toward more sustainable practices.

The Opportunity: Better-Integrate Non-Governmental Actors

Non-governmental actors can help deliver on sustainability even where States and IGOs cannot. Business and industry and others among civil society are already organizing and advancing environmental and sustainability awareness and responsiveness. Many of these initiatives are delivering standards and practice that historically would have been the purview of government regulators. This represents a significant evolution in the world of governance. It is enabled by the capacity of industry and other key civil society players to mobilize ideas and organize globally.

It also represents the growing realization that environment and sustainability are a shared responsibility – shared among governments, intergovernmental organizations, and the non-governmental organizations that can and are working to deliver practical real-world progress. In the context of IFSD and IEG, that recognition of a shared responsibility poses an enormous opportunity, but it needs an approach to governance that will support and nurture this evolutionary expansion of the role of business and others in civil society.

The opportunity is therefore presenting itself in Rio +20 to rethink the traditional role of governance and the role which non-governmental actors play. We are at a stage in the evolution of our civilization where it should be possible to recognize and leverage the capabilities of civil society, including business & industry, and the significant effort already underway that is advancing more sustainable practices.

The implications for governance

The framework of global governance cannot deliver sustainable development in isolation. IFSD and IEG can, however, strengthen the role of governments and government resources in advancing sustainable development. They can also enhance the momentum building in industry and the rest of civil society. It is important to realize that, while there are certain general considerations applicable to both IFSD and IEG, the two really are quite distinct.

General Considerations

Governance structures at local, regional, national and global levels need to be aligned and mutually reinforce each other to deliver on the promise of sustainable

14 See: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTOGMC/EXTGGFR/0,,menuPK:578075~paePK:64168427~piPK:64168435~theSitePK:578069,00.html>

15 See: <http://www.unep.org/transport/pcfV/>

16 See: <http://www.wbcd.org/work-program/sector-projects/tires.aspx>



development. Ultimately, though, the nation-states are key. Fundamentally sound governmental structures within the nation-states must include a stable economic environment governed by the rule of law. This should include safe and stable communities, strong contractual arrangements, effective intellectual property rights protection, and multilateral rules-based trade and investment. Only when that is all in place can states meaningfully develop and drive integration of social, economic and environmental governance at the national or global level. It is only if that is in place that business & industry and the rest of civil society can deliver on their shared responsibilities.

For advancement toward sustainable development, there must, indeed, be shared responsibility. It must be shared among the governments, their intergovernmental organizations, business & industry and the rest of civil society. The institutional framework of governance must reflect and reinforce this. The governments cannot turn to their historic practice of framing yet more institutions to manage separately yet more bits and pieces of the challenge. The need is for more coherence, not more compartments – to enable the right frameworks so that all actors can deliver on that shared responsibility.

That must also extend to more effective integration of the constructive work being done by non-governmental organizations, particularly business and industry, to advance sustainable development. There is no standardized approach to civil society engagement among IGOs. Programs differ and constituencies differ. To capitalize on both the capacity and the initiative of civil society, though, a more direct role in IGO programs is in order. An example of how to build that into our governance regimes may have been cultivated at the program level under UNEP's Strategic Approach to International Chemicals Management (SAICM)¹⁷. Under SAICM, from its earliest stages, the key stakeholders from among civil society (in this case business & industry, labor and the NGO community) have been centrally involved, even to the point of having seats on the SAICM Bureau.

This has provided a unique model to demonstrate that non-governmental actors and governments can productively share ownership of international processes. There may be limits to how broadly this can be generalized or "scaled-up," but at the program level where there are clear constituencies among the major groups, this may well be a key to recognizing and capitalizing on the progress already being made by non-governmental actors. Rio +20 must ensure that structures, programs and regulations enable their role.

Sustainable Development/IFSD

An Institutional Framework for Sustainable Development must span the range of global IGOs dealing with the social, economic and environmental challenges. Serious progress toward sustainable development on a global scale will only occur when all of the IGOs are functioning to be mutually supportive. That will require a fundamental shift in thinking and approach to their respective programs. That will only happen when the national governments that steer them demand it and work to ensure that it happens.

That is a tall order, given that few (if any) of the states have yet fully integrated this perspective; and that each of the IGOs has been created independently to meet its own mission, with mandates and legal constraints fashioned accordingly. This is the

¹⁷ See: <http://www.saicm.org/index.php?ql=h&content=home>



reality that must temper our expectations for Rio. We cannot expect change that will somehow bypass that evolution at the national level and deliver us to some ultimate global sustainability structure. We can, however, set the stage for meaningful change within the existing framework.

Structural Considerations: The starting point for structural modifications should be an emphasis on refining what we are already doing, to make it more fully responsive across the dimensions of sustainable development. It is not about adding major new agencies or structures. It is about stitching together the existing ones in ways that make sense from a sustainable development perspective.

In the present structure, the component of the UN system focused primarily on delivering "Sustainable Development," the Commission on Sustainable Development¹⁸, seems largely disconnected from the agencies and institutions it should be working with. The impression can easily be had, as well, that initiatives in the name of advancing sustainable development are oriented more toward advancing environment. The predominance of environment portfolios among government participants in CSD, and the focus on "Mainstreaming Environment" within the UN Development Group (UNDG)¹⁹ are just two examples.

If, indeed, the dominant focus is to cultivate sustainable development, this tendency to view challenges through the narrow prism of "environment" must be shed. A couple of general considerations in structure are in order:

- **Awareness and understanding of each domain of the sustainability triad (social, economic, environmental) should ultimately be mainstreamed into the thinking and programs of the others.** No domain (or its primary institutions) should be isolated from the mainstream of UN policy. The ultimate goal must be to deliver sufficient understanding that programs in all three dimensions can be mutually supportive.
- **Responsibility for ensuring and overseeing that integration as a priority should be higher and more central within the primary UN hierarchy.** It should not be vested within any institution focused primarily on any one of the three domains. While some in the environmental community view UNEP or the Environmental Management Group (EMG)²⁰ as logical choices, sustainable development is neither an extension of the environmental dimension nor the purview of environmental leadership.

Specific Needs: There are a number of more specific needs that should be integrated into the Institutional Framework for Sustainable Development. In its submission to the Zero Draft for Rio, the primary industry vehicle for input, Business Action for Sustainable Development (BASD²¹, the joint effort of a number of global industry organizations) recommended the following:

- **A system-wide strategy for sustainability across the United Nations system**, including strengthening synergies across the various bodies involving the economic, social and environmental pillars of sustainable development. Sustainability challenges call for an integrated, strategic

18 For information on the Commission on Sustainable Development and its Secretariate organization, the Division of Sustainable Development, see: <http://www.un.org/esa/dsd/index.shtml>

19 See: http://www.undg.org/docs/10662/ES_GuidanceNote_FINAL.pdf

20 See: <http://www.unemg.org/>

21 See: <http://basd2012.org/>



approach and collective United Nations vision. This should include development of synergies between compatible multilateral environmental agreements, while preserving and complementing the independence and tailored nature of multilateral agreements should be a priority.

- **Enhancement of the engagement of business and business organizations** at global, regional, and national levels; business is a primary contributor to prosperity as recognized in Agenda 21, article 30.1.
- **Strengthening the science-policy interface** within international institutions, with the full and meaningful participation of developing countries. This must also include channels for credible and robust science from stakeholders, particularly from business and industry.
- **Identification of priorities by United Nations institutions and concentration on their specific expertise.** In the past two decades, a number of new challenges to sustainable development have surfaced which have required the international community to develop collaborative, global efforts. Climate change, the loss of biodiversity, water management, the spread of desertification and land degradation, damages to marine life, all these issues have been taken by the United Nations in an effort to offer concerted solutions. A clear process leading to a thorough assessment of such emerging issues would assist in the allocation of tasks and responsibilities amongst a variety of actors within and outside the United Nations.

Implications of Integration: Action on the above requires a mechanism for identifying and monitoring related responsibilities among IGOs. IGOs operating within each sustainability dimension ultimately have to more completely understand and respond to concerns of other dimensions that may be affected by their programs. This must be systematic and cultivated within IGOs in all 3 dimensions.

The ultimate key to orienting IGOs to deliver on sustainable development, is to get them aligned behind it as a priority. Such integration is not inherently a function of authority, but it must be backed-up firmly and consistently by the authority of the governments that direct those IGOs. That will be necessary to ensure priority for recognizing and enabling all three dimensions of sustainability wherever there are decisions made that affect them.

There is an important consequence of this. One of the IEG governance options under consideration is the consolidation of environmental programs in an “agency-level” UNEP, or even in a “World Environment Organization.” But to ultimately deliver on sustainable development, environment must be considered in other agencies, perhaps even institutionalized where the agency's decisions regularly influence significant environmental matters (e.g. development agencies). Given this, efforts to consolidate environmental programs in a single agency, while symbolically significant, may in fact be counter-productive. They would not advance environment as a dimension of sustainable development that must be considered wherever decisions affect it. On the contrary, it would remove “environment” from the mainstream of all those other organizations.

Environment/IEG

The environmental dimension of Sustainable Development is the least mature. Its governance is still evolving at a significant rate as both science and awareness broaden, and governments and the regulated community gain understanding and experience. Importantly, as our understanding of environmental concerns broadens and deepens, we are discovering the limits of our traditional single-jurisdiction, direct regulation.



At the global level, this dimension of the sustainability triad needs to keep pace with our evolving experience and understanding; and it needs to be strengthened, better-linked to emerging science and made more globally consistent. UNEP needs to continue to be at its hub, with its responsibilities continuing to evolve in three primary arenas.

Leadership Within the UN Family: Within the larger UN family, environment needs to be more firmly imbedded in the understanding of non-environment IGOs, and needs to be attended to with greater consistency. UNEP is best positioned to cultivate understanding, deliver guidance and to occupy the leadership role on environment. In terms of driving at the highest levels, this means continued leadership by UNEP of the Environmental Management Group.

UNEP also needs to be a key resource for other agencies as their environmental programs develop and mature. As with the other agencies, this will require strengthening of its scientific interface, particularly given the fast-evolving nature of our environmental challenges. This will also include coordination among relevant IGOs to prioritize global environmental needs and help ensure that programs influencing those are mutually reinforcing. The work with UNDP to mainstream environmental considerations into country development planning may be a good example.

Importantly, UNEP (and the MEA secretariats of the UN system) need at the same time to more fully integrate understanding of the social and economic dimensions their activities are touching. This should involve them with the other organizations from the larger UN family where programs overlap or impact one another. Sustainable development is not merely an extension of environmental awareness. Environmental policy and planning must also be enlightened by awareness of the social and economic dimensions of contemporary societies. Those dimensions are **equally important** from a sustainability perspective. It is not enough to simply mainstream environment in other programs. In the end, all programs should be fashioned to reinforce one another. That also means mainstreaming within environment an understanding and responsiveness to social and economic realities.

Leadership on Global Environmental Matters: International environmental governance must address priority environmental matters that have significant trans-boundary impacts, which truly require international coordination. Part of this will be applying science, particularly where matters at hand are truly global (e.g. climate change). Part of this will be managing the staggering number of multilateral environmental treaties (MEAs) currently in force, and tending to any environmental matters determined by the governments to warrant additional MEA handling at the global level.

With respect to the scientific effort, again, the scientific resources need to be open to scientific resources from business & industry (and elsewhere in civil society) where considerable "leading-edge" expertise exists. The scientific enterprise needs to be a shared responsibility, particularly in the environmental arena where it continues to evolve so rapidly. That expertise also needs to make use of and be available to the governments as the frontier of commonly-shared environmental concerns continues to evolve.

With respect to the MEAs, the IEG processes need to be available to address new environmental concerns judged by the governments to require global attention.



However, there is also a huge need to rationalize the existing agreements. Astonishingly, according to the January, 2011 report of the UNEP Executive Director on *Environment in the United Nations System*²², "there are now more than 500 international treaties and other agreements related to the environment, of which 323 are regional and 302 date from the period between 1972 and the early 2000s." This represents both an enormous cost to administer and an enormous burden for the subscribing governments to enforce. This is particularly so for the developing nations, many of which are pressed to be able to adequately address even their own priority environmental problems.

UNEP has begun to address this, in piloting a consolidation of secretariats among its three primary chemicals treaties, the Basel, Rotterdam and Stockholm Conventions. Long-term clustering, particularly of similarly-focused treaty secretariats also needs to be part of the IEG process going forward.

Developing Country Support: There is need to recognize that all governments are playing catch-up as our understanding evolves beyond existing institutional structures. For many, however, they are still working to deliver on the primary pollution-focused institutional elements that have long been the mainstay of environmental programs in the developed world.

IEG needs to provide general support for governments in enabling a consistently strong base of scientific knowledge as new environmental science emerges. But there is also particular need to aid developing country governments to ensure a consistent and rising baseline of basic environmental protection, building off of those aspects of pollution control long understood and institutionalized in the developed world.

²² See: <http://www.unemg.org/Portals/27/Documents/Cooperation/IntEnvGov/GC-INF-23.pdf>



On the Question of Agency...

The November, 2010 report of the "Consultative Group of Ministers on the Nairobi-Helsinki Outcome"²³ posed a number of structural options for the primary nexus of international environmental governance. From the ensuing discussion, there seems to be consensus emerging around the notion of strengthening UNEP. There appear to be divisions, however, over the question of whether that should extend to upgrading it to the status of a full UN Agency.

UNEP has been and should continue to be the principal United Nations body in the field of the environment. UNEP continues to be the primary UN system voice asserting concern for the environment, and stimulating attention to that by other agencies. It does, however, need to bridge more effectively to realities of economic and social dimensions if it is to do justice to its role in sustainable development.

The primary driver on the question of whether UNEP should be elevated to become a UN Agency, seems to be the lower resourcing of UNEP versus other agencies such as UNDP, and the implication of lower stature. Merely reclassifying the agency provides no guarantee of any changes in either resourcing or stature, however. Also, changing to agency status would likely require revisiting UNEP's mandate. In the current environment of shrinking country resources for international programs, considering such a change risks erosion of that mandate.

Conversely, UNEP seems to have sufficient authority and direction that it can, indeed, lead on environment within the larger UN family. One of the keys to that leadership is UNEP's leadership of the UN Environmental Management Group (EMG). It is noteworthy that, unlike the UN Development Group, the EMG has not been brought under the auspices of the very central Chief Executives Board (CEB)²⁴ of the UN, despite having very broad representation and engagement from across the spectrum of the larger UN family (including IFIs and the WTO). Bringing the EMG under the auspices of the CEB could be a means of effectively "elevating" the Program (as leader of EMG), without having to run the gauntlet of General Assembly review.

Ultimately, though, the key is whether the countries, and through them, UN leadership, genuinely want to increase the impact of the environmental dimension of sustainable development (indeed, whether they really want to give priority to sustainability). The question is one of political-will, whether UNEP remains a "program" or is elevated to an "agency".

23 See: <http://www.unep.org/environmentalgovernance/Portals/8/documents/Events/NairobiHelsinkiFinalOutcomeEdited.pdf>

24 See: <http://www.unsystemceb.org/>

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