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for the UN's Environmental activities

European Union's first reaction
on the Co-Chair's "Options Paper" on IEG

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Introduction

The European Union firmly supports the ongoing consultations on the reform of the institutional framework for UN's environmental activities in the follow-up to paragraph 169 of the 2005 World Summit Outcome and expects it will allow for a substantive, inclusive and transparent exchange of views on all relevant issues, based on the engagement of all relevant stakeholders and lead to a real upgrade of the current system of international environmental governance.

The *Options Paper* contains a comprehensive and valuable overview of the key problems and issues.

The European Union welcomes the *Options Paper* as a very helpful contribution to the reform process, recognizing that, notwithstanding the complexity of the issues involved and the variety of ideas and positions expressed by Member States, the Co-Chairs skilfully managed to capture, in the *Options Paper*, the comments and positions expressed by delegations in a systematic and consistent way.

The EU is broadly in line with the co chairs' analysis of the current system of International Environmental Governance. In general, most of the options proposed by the Co-Chairs merit the support of the European Union. It is very important that measures proposed do not lead to increased bureaucratic structures and burdens. There will also be a need to analyse legal as well as cost implications.

The European Union strongly supports both the Co-Chairs' proposals to continue with the informal consultations process (this requires ongoing discussion during UNGA62, with clear timescales and taking advantage of key meetings throughout the year to drive progress forward) and to start formal negotiations on a broader transformation of the International Environmental Governance (IEG) System, no later than the beginning of the 63rd session of the GA. The outcome of the IEG debate would be put in perspective with other ongoing UN processes/discussions such as the System Wide Coherence.

The EU recognizes the very useful contribution made by the recent Rio meeting on "Environment and Sustainable Development: Challenges for International Governance". We look forward to further discussion on areas of convergence identified at the meeting as a means to securing the necessary consensus for change. The Chair's summary from the Rio meeting can usefully feed into New York deliberations.

We reiterate our appreciation and strong support for the ongoing strategic work of UNEP which keeps demonstrating its willingness to live up to its mandate and constitutes an important contribution to the strengthening of the IEG-system.

The European Union is ready to work with all UN members as well as relevant stakeholders, to strengthen IEG and looks forward to the continuation of this process of

informal consultations, and to further exploring possibilities for a more coherent institutional framework of environmental governance. While significant strengthening of the IEG system can be achieved through short- and medium-term reform, such as the measures included in the proposed building blocks, the EU firmly believes that an ambitious reform is required in order to achieve the desired strengthening of the IEG system and feels encouraged to work for the establishment of a UN Environment organisation, in Nairobi, based on UNEP, with a revised and strengthened mandate, supported by stable, adequate and predictable financial contributions and operating on an equal footing with other UN specialised Agencies.

The EU considers that:

- A strengthened IEG should be built on existing mechanisms and structures;
- One flexible and adaptable body should be established for overseeing the coordination of environment activities across the UN with capacity to respond to emerging environmental challenges;
- This body should also contribute to mainstreaming environment across UN and beyond.

Building block 1 - Scientific assessment, monitoring, and early warning capacity

Scientific knowledge and management of scientific information should be at the basis of sound environmental policy and has a key role to play in the IEG system. UNEP must continue to be the authoritative body and centre of excellence on monitoring, assessment and early warning on the global environment that can mobilise scientific support, information and knowledge as well as technical support and capacity building.

Partnering among relevant institutions and better coherence among existing networks is key in reaching this objective. Progress on these recommendations should be rapid and put to the UNEP GMEF for consideration as proposed.

The creation of a Chief Scientist is a very interesting proposal, which could allow UNEP to become the convenor of choice for scientific institutions and communities. The option should however be carefully assessed and other options also envisaged. Apart from the need for a high-calibre incumbent, the institutional support is key to success. In addition, based on the growing need for multidisciplinary work, the inclusion of a highly competent senior economist, with expertise in the fields of environmental and development economics in a support team should be considered.

There is also a need to strengthen existing scientific networks and capacity within UNEP. UNEP should focus scientific assessment on areas which are valuable to diverse policy constituencies and have political traction. Recent moves to address the interface between development (human) and environment sciences is welcome and should be developed further.

The interaction of UNEP with the scientific bodies of MEAs and a stronger scientific role for UNEP, as a platform for cross cutting scientific analysis as envisaged in the Environmental Watch Strategy is also considered an important element.

The strengthening of UNEP and the further creation of a UN Environment Organisation should facilitate a strengthened scientific base for IEG, improving policy and decision-making. The mandate should allow it to be an authoritative body and centre of excellence on monitoring, assessment and early warning on the global environment that can mobilize scientific support, information and knowledge as well as technical support and capacity building.

Building block 2 - Coordination and cooperation of agencies

The EU has at various occasions expressed the need for enhanced coordination and cooperation and for a strong environmental pillar in the UN and has considered the proposals to achieve this with great interest. More attention should be paid to the role of agencies such as UNESCO, UNIDO, FAO, and others in the environmental field in order to avoid overlaps in the reform of IEG.

With regard to the options related to operational work, the cooperation between UNEP and UNDP, and involvement of UNEP in "One UN" pilot countries is key to sustain cooperative efforts. It should evolve in response to identified, country-driven needs with the Pilots, and ensure that capacity-building and technology support become an integral part of national development frameworks. We support UNEP efforts to offer their expertise to the Pilots as they develop.

In addition, we are confident that the closer collaboration, already under way between UNEP and UNDP, will entail further clarification of roles regarding the Bali Strategic Plan as suggested in the options paper. The existing UNEP/UNDP MoU should be implemented and given adequate support from both organisations. UNEP and its regional offices should cooperate with UNDP and other relevant agencies. This will allow UNEP to develop a wider in-country reach. Similarly, an exercise aimed at strengthened cooperation between the GEF Secretariat and its partner agencies is under way.

Observer Status for UNEP and MEAs on the relevant WTO committees - and vice versa- is essential for coherence. A much stronger interaction between trade and environment activities is needed.

Taking note with appreciation of the proposals for a strengthened Environment Management Group (EMG), the EU recommends that special attention should be given to the policy guidance and coordination role of the CG/GMEF.

The EU also notes the current efforts of EMG in this regard, including through issues- and theme-based organization of work, (for example in striving for a climate neutral UN or coordinating the internal UN position on the SWC environment/SD reforms). We are however, hesitant with regard to the proposal for the EMG to report separately to the General Assembly and the Chief Executive Board for coordination (CEB). Such reporting should be incorporated in broader reporting on the performance of the IEG system and progress in implementing reforms unless they involve reporting on specific activities.

Building block 3- Enhanced coordination between multilateral environmental agreements (MEAs)

The call for an increased cooperation and coordination between different MEAs, the need for greater synergies between local and regional offices and a better cooperation between UNEP and the MEAs are strongly supported by the EU. Enhanced cooperating and coordination among the different entities would ensure a more coherent system and lead to enhanced and facilitated national implementation of the MEAs, reducing the burden of participation on Parties, especially developing country Parties.

The EU largely agrees with the options presented under this building block. However, attention should be paid to the autonomy of MEAs, which are treaty-based bodies governed by plenary decision-making bodies (such as the Conferences or Meetings of Parties). Due consideration should thus also be given to different memberships and ratifications of these treaties. While the negotiation of those treaties has usually been initiated by UNEP or the UNGA itself, the GA could only encourage the clustering of MEAs. For the implementation of such measures the explicit consent of the decision-making bodies of MEAs in question is needed.

Pending this discussion within the specific conventions, the focus should be on joint operations, projects and work programmes, rather than joint structures.

The Co-Chairs call for the coordination of country-related activities of MEAs with the host country government and within the UN system as well as coherence with the Bali Strategic Plan. The EU would note that implementation of MEAs at the national level is the responsibility of individual Parties and that MEA Secretariats have -and should keep-limited country-level activity. Therefore the EU considers that the real need is to involve UNEP and UNDP and the IFIs in the work related to implementation of all MEAs to see how they can support implementation in developing countries of policies agreed by COPs. EU Member States also work to support synergies in the assistance provided by the Global Environmental Facility so that projects can benefit all MEAs for which the GEF is the financial mechanism.

Further discussions would benefit from consideration from input and feedback from the deliberations of the work now going on in the Ad hoc Joint Working Group on Cooperation and Coordination among the Basel Rotterdam and Stockholm Conventions.

Discussions on future IEG structures would also benefit from focusing on the relationship between the functions carried out by MEA secretariats and services provided by UNEP and a future UNEO in a coherent manner.

Building block 4- Regional presence and activities

The EU fully supports the need to strengthen IEG at a regional level. UNEP's regional offices could also be entry points for policy formulation and coherence at the regional level, for example, by providing expertise and advice to the One-UN Pilots, UNDP, and other UN agency teams. We support the option for a review of the existing role and mandate of UNEP Regional offices. Regional level capacity building activities should be carried out in

cooperation with relevant UN agencies in order to avoid duplication. The co-chairs option concerning better cooperation with UN regional commissions corresponds to a clear need and is therefore also supported by the EU.

Building block 5- Implementation of the Bali Strategic Plan

The EU believes that all elements of the Cartagena package, and the Bali Strategic plan for technology support and capacity building should be implemented with a sense of urgency. UNEP engagement in the One UN Pilot programmes provide optimal opportunities for capacity building work on the environment and thus implementation of the Bali Strategic Plan. Implementation will be especially efficient if done in cooperation with relevant agencies, in line with the suggestions of building block 2. More thought is also needed on the potential integration of Bali SP into the work of the MEAs, as MEAs often have their own capacity building structures. This option could be given consideration by the Joint Liaison Group of the Rio Conventions.

The EU also supports increased dialogue with the IFIs and the GEF on securing better integration of the Bali SP into their operations.

Building block 6- Information technology partnerships and advocacy

The EU is globally in agreement with the options proposed, notably with proposals aimed at providing extra support and leverage to environmental considerations in Global Governance. The creation of a Partnership Forum should be carefully evaluated. The EU has doubts about the feasibility of the co-chair's proposal to establish a single unified Clearing-House Mechanism of best practices and lessons.

Building block 7- Financing

In the face of increasing environmental degradation in developed and developing countries, the EU believes more efficient use of existing resources is needed, as well as ensuring adequate global financial means. The establishment of a UNEO could enable the setting of a more stable, predictable and adequate budget, taking into account the respective requirements for efficient and effective operation of the headquarters as well as for the organization's activities in accordance with the work programme.

The EU can support the objective to "improve financing for the IEG system and for environmental activities through timely and adequate funding" and efforts to make more efficient use of existing resources. It is recognised that a clear identification of core functions, a better balance between earmarked and non-earmarked resources, the adherence to a results based management, a better coordination to avoid duplication of efforts and the adoption of simplified and mainstreamed reporting procedures are of crucial importance.

In this regard we would like to highlight the proposals on a financial tracking system and on a funding structure for UNEP that allows for private sector contributions, and increased adequate future replenishments of the GEF.

Further reflection would be useful in particular on the links between the GEF/UNEP, taking into account available funding and UNEP's comparative advantage. We are also supportive of better integration of the UNEP-GEF portfolio into the core work of UNEP. The EU also supports improved dialogue with other GEF implementers, through the One UN Pilots to ensure a country driven, strategic approach to environment activities and reduce duplication of effort.

Innovative ways to provide more financing for environmental protection are likely to be required in addition to the measures proposed.

Final remarks

A step by step approach and a broader transformation of the IEG system, including the institution of a UN Environmental Organization, are two complementary approaches to improving IEG. One does not preclude nor duplicate the other. The EU is willing to engage constructively and with an open mind with partners in order to build further common ground, taking into account all relevant inputs, throughout UNGA 62.

The EU fully supports an ambitious, yet incremental, improvement of IEG, but is of the view that this will not suffice to face growing global environmental challenges.

Therefore the EU has proposed to transform UNEP into a UNEO. The creation of a UN Environment Organisation should facilitate a strengthened scientific base for IEG; improve coherence and co-operation in the UN system and beyond through working with and influencing other international organisations (within and outside the UN system- IFIs in particular) to ensure coherent policy and decision making therefore contributing to building block 2. The EU finds that technology support and capacity building in general could be enhanced under a UNEO, working with relevant stakeholders, especially UN agencies and IFI's.

The EU emphasises that the need for a clear timescale on these issues is now largely shared among the international community. The European Union further agrees with both the Co-Chairs' proposals to continue with the informal consultations process and with their objective of starting formal negotiations on a broader transformation of the International Environmental Governance (IEG) System, no later than the beginning of the 63rd session of the GA.