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Agenda items 46 and 120

**Integrated and coordinated implementation of  
and follow-up to the outcomes of the major  
United Nations conferences and summits  
in the economic, social and related fields****Follow-up to the outcome of the Millennium Summit****Letter dated 1 February 2006 from the Permanent  
Representative of France to the United Nations  
addressed to the President of the General Assembly**

As you know, between February 2004 and March 2005, France facilitated an informal working group made up of 26 countries which considered the possibility of transforming the United Nations Environment Programme into a specialized agency (United Nations Environment Organization).

Please find attached a progress report on the work of this group, which was established under the responsibility of France (see annex).

I should be grateful if this progress report could be circulated as an official document of the sixtieth session of the General Assembly, under agenda items 46 and 120.

I thought that it would be useful for the work of our group to be more widely known in connection with the informal consultation shortly to take place on the institutional framework for environmental activities within the United Nations in view of the report prepared by the Secretariat for these initial consultations transmitted by your letter of 26 January 2006.

*(Signed)* Jean-Marc **de la Sablière**

**Annex to the letter dated 1 February 2006 from the Permanent Representative of France to the United Nations addressed to the President of the General Assembly**

**Informal Working Group on Transforming the United Nations Environment Programme (UNEP) into a United Nations Environment Organization (UNEO)**

**Progress Report**

**I. Establishment of a working group on transforming UNEP into a UNEO**

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

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

This observation, included in the Millennium Declaration, has since been strengthened by the High-Level Panel, which noted in its report that environmental degradation is one of the principal threats to our collective security. In terms of governance, the Panel emphasized that environmental protection efforts at the global level lack coherence. In addition, the Millennium Project report on the environment recommends structural changes in order to reach Millennium Development Goal 7, including the strengthening of governance and of the relevant agencies (see the section of the report dealing with environmental sustainability).

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

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

2. Given this analysis, the French President has proposed that a United Nations Environment Organization (UNEO) be established by transforming the present UNEP. The French proposal is based on three main guidelines: environmental preservation as key to the collective security of our planet; environmental

degradation as a threat to development; the need for a multilateral response and the central role of the United Nations in this respect.

To initiate discussion, France suggested the establishment of an informal working group that was geographically balanced and that reflected a diversity of views on the issue. Twenty-six countries (see enclosure) agreed to take part in this working group, without such participation prejudging their basic position on the establishment of a UNEO.

## II. General organization of the group's work

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

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

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

## III. Evaluation of the strengths, weaknesses, opportunities and threats of the current situation

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

2. There were four principal observations:

- **Problems of coherence and efficiency** linked to the increasing number of multilateral environmental agreements (MEAs) and environmental forums: although the development of this architecture has made positive advances possible, international environmental governance is characterized by fragmentation. It is often a source of inconsistency, inefficiency, additional cost and imperfect allocation of human and financial resources. It weakens the capacity of international environmental governance to contribute to sustainable development.
- **Gaps in scientific expertise, early warning systems and information:** environmental data collection systems are not being supplied in a satisfactory manner. Access to data is complicated by the lack of common rules governing equitable access to this information. There are no structured warning

mechanisms with sufficient international visibility and the capacity to offer adequate responses. Finally, informational efforts are insufficient, and their readability and coherence for the public at large are in need of improvement.

- **Insufficient recognition of the specific needs of developing countries, which are often more vulnerable to environmental degradation** and less financially able to respond: developing countries have difficulties in devising national environmental policy, accessing financial resources and technology, providing scientific expertise and participating in decision-making, negotiating and follow-up of agreements.
- **Complex sources of financing:** the international environmental financing system is characterized by poor predictability, instability and fragmentation. This system makes it difficult to access financing and results in transactions costs and in an allocation of resources that is poorly linked to strategies decided on by Member States.

#### **IV. Principles and key issues**

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

2. **Principles:**

- A UNEO should be established by transforming UNEP (and not in parallel to UNEP). This forward-looking process should be seen as complementary and build on the strengthening of UNEP based on the recommendations adopted at Cartagena;
- UNEO headquarters should remain in Nairobi. UNEO would thus be the first United Nations specialized agency to have its headquarters in a developing country;
- The legal autonomy of the main Conventions should be maintained;
- UNEO is not intended to compete with WTO.

3. **Key issues:**

- Strengthening the coherence and efficiency of the current international system, including its regional dimension;
- Scientific expertise and communication and early warning systems;
- Responses to the specific needs of developing countries in order to ensure that the environment fully contributes to their sustainable development;
- Financial aspects and the importance of rationalizing efforts in order to mobilize more resources to assist the developing countries;
- Institutional and legal aspects.

4. On this basis, the French Foreign Minister proposed that the group should examine practical options for addressing the weaknesses identified, by considering what added value UNEO would offer in this respect.

## V. Specific options

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

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

### 1. Coherent governance:

- **Issues:** the coherence of existing international arrangements, the efficiency of actions being carried out, the participation of States and the legitimacy of decisions were considered.
- **Possible responses:** the options selected should take into account the need to address the problem of fragmentation while preserving the necessary flexibility and the legal autonomy of the main Conventions. In this context, the group examined the possibility of assigning two main functions to UNEO: defining strategic guidelines approved by Member States and coordinating and, in some cases, pooling certain cross-sectoral activities (for example, data collection and exchange, early warning and scientific expertise, capacity-building and technology transfer and follow-up of agreements).

Several options were proposed to ensure this coordination without affecting the legal autonomy of the Conventions, in particular their regulatory activities. This issue is delicate and should be developed further. In particular, the difference in membership between a UNEO and specific Conventions should be taken into account. Models within the United Nations system (notably WHO, ILO and WIPO) could be used for this purpose.

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

The UNEO secretariat could make an important contribution in these areas.

### 2. Specific needs of developing countries:

- **Issues:** the elaboration of robust national environmental policies, the inclusion of environmental challenges in national development strategies and the implementation of MEAs were considered.
- **Possible responses:** responses should be based on the principle of the ownership by each State of environmental policymaking. The UNEO mandate should clearly address the environment in the context of sustainable

development. For developing countries, a UNEO would essentially play a supporting role that should be strengthened. It could also facilitate their participation in decision-making.

In keeping with the Strategic Plan for Technology Support and Capacity-building agreed in Bali in December 2004, UNEO could contribute to strengthening capacity-building and technology support (coordination of capacity-building programmes in full cooperation with UNDP, assistance in identifying projects, etc.).

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

UNEO could work to encourage the inclusion of environmental considerations in national policy, emphasize the benefits of measures taken (energy savings, tourism, etc.) and promote mechanisms for underwriting certain associated costs.

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

### 3. Financial aspects:

- **Issues:** better mobilization of resources in order to contribute more efficiently to environmental actions (particularly for the benefit of developing countries), coherent resource allocation with regard to strategies and guidelines set by Member States, improved scientific and technical quality of operational environmental activities and rationalization of costs through better management of the major cross-sectoral issues were considered.
- **Possible responses:** financing the environment at the international level involves two types of issues, notably: the budget and resources of UNEO (and the Convention bodies) and financing from the Global Environment Facility (GEF).

With regard to UNEO's budget, the organization could strengthen its activities in certain key areas in which it would offer added value: early warning systems, scientific expertise, support for developing countries, capacity-building, coordination of international environmental governance, follow-up of implementation and communication.

This strengthening would largely result from rationalizing the activities currently carried out in a dispersed manner by UNEP and Convention bodies, through better coordination and use of synergies. This issue should be developed further.

A detailed estimate of the UNEO budget, within the framework of future international environmental governance, would also involve specifying the exact missions that UNEO would be given.

Subject to further studies, it is unlikely that overall budget volumes would increase significantly.

Currently, resources mobilized within the framework of international environmental governance come from a variety of sources: assessed and voluntary contributions, which are core and non-core, and replenishment mechanisms. Within

the context of a UNEO, several forms of funding could be possible. In particular, a system that would combine in a clearer manner assessed contributions and non-core, voluntary contributions was considered, taking into account the advances made possible thanks to the voluntary indicative scale of contribution.

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

#### 4. The place of UNEO:

- **Issues:** coherent treatment of environmental questions within the United Nations and the inclusion of the environment in the sustainable development perspective were considered.
- **Possible responses:** environmental questions are dealt with in many United Nations forums. Together with other United Nations agencies and international financial institutions, UNEO could improve the current situation by providing these bodies with expertise and by improving coordination (a cooperation agreement negotiated with each agency, improvement of the role of the Environmental Management Group).

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

In terms of intergovernmental organizations, UNEO should be connected to the United Nations under the terms of Articles 63 and 64 of the Charter. An agreement negotiated between the Economic and Social Council and UNEO would strengthen the relationship between the two organizations. UNEO should take the Council's recommendations fully into account and should report to it regularly on its own activities. The Council could communicate its observations to the General Assembly and offer recommendations in order to contribute to coordination and coherence within the United Nations system.

Finally, a more coherent and legitimate UNEO would be able to make an effective contribution to the work of the Commission on Sustainable Development (CSD), in order fully to integrate environmental concerns into sustainable development. It would be better able to implement CSD recommendations.

#### 5. Institutional issues:

- **Issues:** giving more visibility and legitimacy to international environmental efforts, reducing the risks of loss of coherency and efficiency connected with the increasing number of forums and with the dispersed nature of multilateral environmental agreements, helping to strengthen the developing countries' institutional capacities to enable them to implement their treaty commitments

and strengthening scientific expertise in order to offer Member States the best choices were among the issues considered.

The UNEO institutional structure should satisfy two criteria in particular: ensuring the legitimacy of decisions made by Member States and giving the organization the capacity to fulfil its mandate.

- **Possible responses:** transforming UNEP into a United Nations specialized agency should give UNEO the necessary legitimacy to guarantee the efficient implementation of its mandate through its various functions, in particular: platform for political discussions, coherence of environmental governance, helping developing countries implement environmental policies, strengthening governance at the regional level, coordinating and strengthening scientific expertise, monitoring and early warning systems, information, communication and mobilization of the institutions involved and follow-up of agreements.

These functions should be examined in detail, in the light of further studies on the main issues.

Based on several existing models (WIPO, ILO, WHO, etc.), the following institutional components could be proposed, subject to more in-depth study: an Assembly with universal membership, a Director General elected by this Assembly (or appointed by the Secretary General), possibly an executive board, a secretariat established from the UNEP secretariat and strengthened regional offices.

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

## 6. Other themes

Other technical themes, which were examined more specifically in the Nairobi meetings, were also presented in New York, including:

- **Strengthening governance at the regional level:** considering environmental phenomena at a regional level could be essential. UNEO could be given strengthened regional offices in keeping with current efforts by UNEP to contribute to the coherence of activities at this level.
- **Coordination and strengthening of scientific environmental expertise:** UNEO could play a key role in coordinating international scientific expertise on environmental questions, in particular concerning observation of the interaction of various phenomena. In this respect, the establishment of a network of experts could be examined. UNEO should also contribute to improving scientific expertise by strengthening national and regional capacities in this area. It should contribute to more efficient data collection and to making these data available to all the States.
- **Monitoring and early warning about the state of the environment:** UNEO could define a global system for monitoring the state of the environment based on the Global Resources Information Database (GRID). It could furthermore develop common early warning systems — global and regional — in the same manner as other agencies such as WHO and FAO. By operating as a “clearing house mechanism”, UNEO would also be able to identify gaps in these areas.

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

**Enclosure**

**List of participants in the working group**

Belgium

Brazil

Burkina Faso

Canada

China

Colombia

Czech Republic

France

Germany

India

Indonesia

Italy

Japan

Kenya

Luxembourg

Mexico

Morocco

Nicaragua

Nigeria

Norway

Senegal

South Africa

Sweden

Switzerland

United Kingdom of Great Britain and Northern Ireland

Viet Nam

European Commission

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