



SUMMARY OF THE FOURTH OPEN-ENDED INTERGOVERNMENTAL GROUP OF MINISTERS OR THEIR REPRESENTATIVES ON INTERNATIONAL ENVIRONMENTAL GOVERNANCE:

30 NOVEMBER-1 DECEMBER 2001

The fourth meeting of the Open-ended Intergovernmental Group of Ministers or their Representatives on International Environmental Governance (IGM-4) was convened in Montreal, Canada, from 30 November-1 December 2001. More than two hundred participants were in attendance.

Over the course of the one-and-a-half-day meeting, participants convened in three Plenary sessions and in three working groups to consider revised proposals on options and elements of international environmental governance (IEG) drawn up by the President of the UNEP Governing Council, David Anderson, Minister of Environment of Canada. The President's Proposals, organized in "building blocks," were based on outcomes from IGM-1 and IGM-2, and revised after IGM-3 to reflect issues on which agreement had emerged. These building blocks formed the basis for negotiation at IGM-4.

The President's Proposals included core sections on: improving coherence in policy-making – the role and structure of the Global Ministerial Environmental Forum (GMEF); strengthening the role, authority, and financial situation of UNEP; improved coordination and coherence between multilateral environmental agreements (MEAs); capacity building, technology transfer and country-level coordination for environment and sustainable development; and enhanced coordination across the United Nations system – the role of the Environmental Management Group (EMG). Participants also considered a revised Report on IEG from UNEP Executive Director Klaus Töpfer, and Secretariat documents on MEAs and clustering.

While expectations for a swift conclusion of negotiations at IGM-4 proved unfounded, some progress was achieved in each of the working groups. Among the new proposals tabled at the meeting were those from Norway for the establishment of an Intergovernmental Panel for Assessing Global Environmental Change and a Strategic

Plan of Action to support implementation in developing countries. The process also continued to benefit from inputs from non-governmental organizations (NGOs). In the working group addressing the role and structure of the GMEF, participants agreed to use the President's Proposals as the basis for negotiation and tabled proposals reflecting divergent views on the level of authority to be enjoyed by the GMEF in policy guidance on MEAs. A defining issue was the question of whether or not any new authority should be limited to the GMEF's current mandate. Members of the working group on improved coordination between MEAs, capacity building, technology transfer, country-level coordination and the EMG, worked into the early hours of Saturday and reached agreement on a range of issues. The UNEP Secretariat tabled a paper on financing of UNEP to assist the deliberations of a third working group, which helped narrow differences over the respective merits of voluntary contributions, mandatory assessed contributions, and negotiated assessed contributions.

This meeting enabled delegations to refine their positions and pinpoint areas of agreement and divergence. Limited progress was made, however, in settling or narrowing differences, which may have been due to the insufficient meeting length or delegations' unwillingness to move on firmly entrenched positions.

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A BRIEF HISTORY OF THE INTERNATIONAL ENVIRONMENTAL GOVERNANCE PROCESS

The IEG process was initiated by Decision 21/20 of the UNEP Governing Council, which provides for the further strengthening of UNEP, and Decision 21/21, on IEG, which calls for a comprehensive policy-oriented assessment of existing institutional weaknesses, as well as future needs and options for strengthened governance, including financing of UNEP.

The background to Decision 21/21 includes a number of key events in UNEP's development. The 1997 Nairobi Declaration, adopted by the UNEP Governing Council and endorsed by the UN General Assembly, established UNEP as the "principal UN body in the field of the environment." The 1998 Task Force on Environment and Human Settlements, appointed by the UN Secretary-General within the overall reform effort of "Renewing the United Nations," recommended the establishment of an EMG to improve interagency coordination, including conventions in its mandate, and the creation of a GMEF.

MALMÖ MINISTERIAL DECLARATION: The first meeting of the GMEF, held in Malmö, Sweden, in May 2000, adopted the Malmö Ministerial Declaration, which focused on areas such as the major environmental challenges of the 21st century, and obstacles and opportunities in international environmental management. The meeting agreed that the 2002 World Summit on Sustainable Development (WSSD) should review the requirements for a greatly strengthened institutional structure for IEG. In this regard, it concluded that UNEP's role should be strengthened and its financial base broadened.

FIRST MEETING OF THE OPEN-ENDED INTERGOVERNMENTAL GROUP OF MINISTERS (IGM-1): This meeting was convened on 18 April 2001, at UN headquarters in New York, and was attended by representatives from 93 countries. It was chaired by Canadian Environment Minister David Anderson, who is currently President of the UNEP Governing Council. Participants reached consensus on a number of key issues, including the need to, *inter alia*: better define IEG; review IEG within the context of sustainable development; involve ministers outside environment ministries; strengthen UNEP and ensure more predictable funding; make better use of existing structures, including the coordination and clustering of MEAs; involve stakeholders; and ensure the effective participation of developing countries.

EXPERT CONSULTATIONS ON INTERNATIONAL ENVIRONMENTAL GOVERNANCE: Convened in accordance with UNEP Decision 21/21, this expert consultation was held in Cambridge, UK, from 28-29 May 2001. Discussions were held on the future role of UNEP in relation to sustainable development and on the financial constraints that hinder UNEP from meeting its goals. The meeting noted that any discussion on UNEP being transformed into a specialized agency was premature, and identified pressing issues concerning IEG: the clustering of MEAs, the multi-layering of governance, and the need to look beyond environmental governance.

SECOND MEETING OF THE OPEN-ENDED INTERGOVERNMENTAL GROUP OF MINISTERS (IGM-2): This one-day meeting was held in Bonn, Germany, on 17 July 2001, and was chaired by Karen Redman (Canada) on behalf of IGM Chair David Anderson. The purpose of the meeting was to offer input to the Governing Council Bureau, which could be used to inform substantive deliberations at IGM-3. The meeting noted that: a proliferation of meetings had contributed to a loss of policy coherence and a reduced impact of the

limited resources available; there is a need to support international sustainable development governance and a strong role for the EMG; civil society participation in the process is important; and there is a need to take into account the principle of common but differentiated responsibilities. Other issues included interest in some form of MEA clustering and the need for stable funding for UNEP, possibly through the use of the UN system of assessed contributions.

THIRD MEETING OF THE OPEN-ENDED INTERGOVERNMENTAL GROUP OF MINISTERS: This meeting took place in Algiers, Algeria, from 9-10 September 2001. The meeting considered a revised list of proposals on options and elements for the IEG process, and decided to add two "building blocks" of proposals, on sustainable development, and on capacity building and technology transfer, respectively. Discussions gave rise to several ideas, including: coordination of domestic implementation of MEAs as a means of coordination at the international level; clustering at functional and regional levels in the medium term; and co-hosting COPs with related agendas. Delegates agreed that UNEP should be strengthened and that the GMEF should constitute the cornerstone of the institutional structure of IEG. The meeting gave UNEP three tasks: to provide further information on options for strengthening UNEP's financial situation; to analyze the legal status of the GMEF, based on UN General Assembly Resolution 53/242; and to prepare a study on the proliferation of MEAs.

REPORT OF THE MEETING

The fourth meeting of the Open-ended Intergovernmental Group of Ministers or their Representatives on IEG was declared open by Karen Redman MP, Parliamentary Secretary, Canada, on behalf of David Anderson, President of the UNEP Governing Council, at 3:00 pm on Friday, 30 November. Redman recalled the mandate for the IEG process and described the upcoming meeting of the GMEF in February 2002 as an opportunity for ministers to lay a new path to IEG and formally adopt recommendations for submission to the WSSD.

She noted the Proposals of the President of the UNEP Governing Council for consideration by IGM-4 on IEG (UNEP/IGM/4/2), highlighting additional elements on capacity development and the elaboration of linkages to sustainable development. She also noted the updated report of the UNEP Executive Director (UNEP/IGM/4/3) and additional documents on the operation of MEAs (UNEP/IGM/4/4 and 5). Redman informed delegates that the documentation would provide the basis for developing compelling recommendations and that substantive governance issues would have to be faced in the run-up to the WSSD.

Summarizing the substantive positions arrived at by the IEG process to date, she noted that:

- environment ministers wish to establish the GMEF as the pre-eminent authoritative global forum for "big picture" environmental issues that would be headed by other international decision-makers;
- the effectiveness of MEAs is a central governance issue;
- the decision of the recent World Trade Organization (WTO) meeting in Doha, Qatar, to examine the relationship between the WTO and MEAs is a strong indication of the need to address the effectiveness of MEAs;
- there is a need to rethink the global approach to capacity building; and
- there is broad, if not universal, agreement that the world needs a



strong UNEP that delivers an ambitious plan of work without having to worry about how it is going to pay its staff.

Redman stated that President Anderson had identified political agreement on a course of action to address UNEP's funding situation as a bottom line for IGM-4. She urged delegations to reach agreement on concepts but to avoid a word-by-word negotiation.

UNEP Executive Director Klaus Töpfer thanked the governments who had recently elected him to a new four-year term in office. He called on the meeting to reach a general consensus on the basic principles of IEG, as captured in the President's Proposals. He said broad agreement was sufficient to allow the GMEF to make detailed decisions in February. He explained that President's Proposals, revised following IGM-3 in Algiers, include additional elements on: sustainable development; clustering; capacity building; finance; and implementation of MEAs. He also noted a number of documents responding to questions raised in Algiers, including on implementation of MEA clustering proposals (UNEP/IGM/4/4 and INF/1, 2 and 3); a report on decision-making in MEAs (UNEP/IGM/4/5); and a report on the legal relationship between the UNEP Governing Council and the GMEF (UNEP/IGM/4/INF/5). Töpfer highlighted the resolution of the UNEP financing issue as the ultimate test of the IEG process.

Participants then adopted the provisional agenda (UNEP/IGM/4/1), and Chair Redman announced that the Bureau of the UNEP Governing Council would function as the Bureau for IGM-4.

CONSIDERATION OF ISSUES, OPTIONS AND PROPOSALS FOR STRENGTHENING IEG

Delegates at IGM-4 then engaged in a general debate in Plenary on issues, options and proposals for strengthening international environmental governance, and the President's Proposals.

Iran, on behalf of the G-77/China, stated that there is no need for discussion on the division of work between the GMEF and the UNEP Governing Council, or GMEF membership and functions. On the relationship of the GMEF with MEAs, other organizations and the Global Environment Facility (GEF), he stated that there should be no independent role for the GMEF. On meaningful participation by civil society within the GMEF, he stressed that the involvement of civil society is a system-wide issue which is being considered in the UN, and whose outcome should not be prejudged. He urged that the GMEF hold its meetings in Nairobi. He noted that the EMG is not a mechanism for setting the GMEF agenda. The G-77/China also stressed their opposition to the creation of a World Environment Organization, and to UNEP becoming a specialized agency. On financing UNEP, he supported the option of multi-year pledges. He favored the consideration of UNEP's increased role in capacity building and technology transfer, and noted that UNEP's enhanced role within the GEF should ensure domestic environmental benefits to GEF-funded projects by applying the principle of incremental cost in a more flexible manner. He expressed support for the concept of "pilot clustering," and opposed the expansion of the EMG's role beyond interagency coordination.

Belgium, on behalf of the EU, said part of the outcome of the WSSD should be the establishment of the GMEF as the cornerstone of a coherent system of IEG. He advocated a GMEF role in the mainstreaming of the environment into other policy fields, and suggested that the GMEF could provide guidance by identifying global environmental priorities. Noting that the GMEF should deal with environmental mainstreaming, he stressed the need for caution to ensure that it

does not become a new body on sustainable development governance. On financing UNEP, the EU emphasized that: any system must ensure fair burden sharing; the existing practice of agreed contributions to the main environmental conventions is exemplary, since it establishes obligations for a fixed number of years; and an additional option could be the use of the UN assessed rate. He said the possibility of co-location of MEA secretariats should be examined, and supported clustering at the sectoral, functional and regional levels.

Sweden, on behalf of the Committee of Permanent Representatives to UNEP, noted the Committee's strong support for strengthening the mandate, authority and financing of UNEP. She supported a strengthened GMEF with a well-defined role and function. She emphasized that the President's Proposals provide a good political framework for enhancing UNEP, but noted the need for governments to go beyond this in order to identify UNEP's comparative advantage. On UNEP's mandate, she stressed assessment, law and policy development, capacity building and implementation. She noted broad political agreement on the need to strengthen UNEP's financial base and the need to elaborate on the financing options presented in the President's Proposals. On capacity building and country-level coordination, she highlighted the need for a strategic partnership with UNDP. She recognized that the EMG could play a crucial role in improving MEA coordination and noted the need for a clear definition of its anticipated role.

Indonesia stressed that the IEG process should be positioned within the broader context of sustainable development. He highlighted the need for a more reliable and predictable approach for funding UNEP, such as a multi-year pledge.

Japan cautioned against adding new layers of bureaucracy, and highlighted the need for transparency on budget matters in Nairobi. Brazil underscored that a system of strengthened IEG should take into account the principle of common but differentiated responsibilities. Samoa welcomed the President's Proposals and noted a need to strengthen the role of the GMEF in mainstreaming environmental policies into other policy areas. He highlighted the need for regional coordination.

The GEF emphasized that the President's Proposals call for a strengthened relationship between UNEP and the GEF, and do not suggest that the GEF provide funding for UNEP. Algeria welcomed proposals from Norway for a pluri-annual work plan.

The US described an IEG system that has been remarkably resilient. He called for an enhanced role for the GMEF within its existing mandate, consideration of options on UNEP funding, and more effective approaches to MEAs and Conferences of the Parties (COPs), including consideration of bi-annual scheduling. On MEAs, he supported clustering, and recommended locating future secretariats in UN headquarters locations. He called for capacity-building work in developing countries on implementation of MEAs in advance of their entry into force.

The Czech Republic called for an enhanced IEG system within and beyond the UN system, and an MEA-type negotiated approach to UNEP funding with a broader base of donors. Norway called for adequate, predictable and stable funding for UNEP as a key outcome of the IEG process. He supported universal membership in the GMEF and provision for civil society participation. He announced that Norway had circulated a non-paper containing a proposal to establish an international scientific panel on global environmental change. He proposed the creation of an international high commissioner role to be



added to the function of UNEP Executive Director. He also proposed that the UNEP Executive Director examine how the EMG's role should develop.

Mexico said institutional strengthening should respect the terms of reference of the Commission for Sustainable Development (CSD).

The UK supported universal membership of the GMEF and effective participation by NGOs and business. He endorsed a broader and more stable funding base for UNEP using negotiated contributions based on the UN assessed scale. He proposed that the EMG answer to the GMEF and report to Member States. He called on UNEP to set up a working group to systematically examine the scale of assistance required for effective capacity building in developing countries. Nigeria urged the international community to increase resources and support mechanisms to prevent and resolve conflicts.

Switzerland called for a close relationship between the GMEF and the EMG; universal membership of the GMEF; sound and predictable UNEP funding, with fair burden sharing; clustering along the lines set out in the IGM-4 documentation; and capacity building to instill shared ownership of IEG at the national level.

South Africa supported the establishment of a strong political body at the apex of decision-making on the environment, within a broader sustainable governance system at the UN, with participation by ministers of finance, trade and other sectors. She called for a key role for the GEF in financing IEG. She cautioned that the discussion on ensuring greater coordination and integration within the UN system could not be confined to the role of the EMG. She also called on UNEP to draft a paper on clear targets, timetables and the identification of institutional arrangements for a strengthened IEG, which could be set out in a Johannesburg Programme of Action agreed at the WSSD. Uganda called on IGM-4 to sort out any potential conflict between the roles of the GMEF and the CSD.

Many developing countries supported capacity building, technology transfer, financial support for national implementation and strengthening UNEP. Kenya, supported by China, said institutional strengthening should be evolutionary rather revolutionary, and objected to the creation of new institutions. Burkina Faso supported the GMEF as a core of the institutional structure for IEG. The Russian Federation urged that the GMEF not supersede UN agencies, and supported voluntary financial contributions to UNEP. Malaysia said the GMEF should not conflict with the CSD mandate, and objected to giving it an additional role in policy guidance. Chile objected to the creation of new bureaucracies, and supported voluntary contributions to UNEP and a narrow GMEF mandate.

China, supported by the Convention to Combat Desertification Secretariat, stressed that any decision on clustering MEAs should be made in close consultation with the COPs and policy-making bodies of conventions. Côte D'Ivoire supported synergies among MEAs, capacity building and predictable financing for UNEP. Tunisia identified the lack of resources as a chief obstacle to implementation of existing conventions.

The UN Centre on Human Settlements (HABITAT) expressed readiness to cooperate with UNEP in operationalizing the IEG process. UNDP said it is well-positioned to be a strong partner of UNEP, and suggested that the EMG analyze the particular strengths and potentials of different institutions in capacity building. The Ramsar Convention Secretariat asserted that synergies among MEAs should pertain only to substance and not to legal status or logistics. The FAO noted that advo-

cating IEG requires national capacity building and technology transfer to enable governments to integrate environmental concerns in their policies.

Following the general debate, Chair Redman proposed that further consideration of the President's Proposals take place on Friday evening in two working groups: Working Group I to consider proposals on improving coherence in policy-making and the role and structure of the GMEF; and Working Group II to discuss improved coordination and coherence among MEAs, capacity building, technology transfer, country-level coordination for environment and sustainable development, and enhanced coordination across the UN system, including the role of the EMG.

The Plenary reconvened on Saturday morning, 1 December, to hear reports from Working Group I and Working Group II, which had completed its deliberations. President Anderson invited Working Group I to reconvene and invited Børge Brende, Norway's Minister of the Environment, to chair a new working group on UNEP financing issues.

WORKING GROUP I

Working Group I, chaired by Philippe Roch, State Secretary of Switzerland, convened on Friday evening, 30 November, and Saturday, 1 December, to consider the President's Proposals on improving coherence in policy-making and on the role and structure of the GMEF. These proposals address:

- identification by the IEG process of the need for a high-level forum for policy dialogue and the need to give the GMEF greater authority as an environmental policy forum to provide overarching advice to other entities;
- universal membership for the GMEF;
- a clearer definition of the GMEF's role *vis-à-vis* MEAs;
- civil society participation in the GMEF;
- convening meetings of the Forum outside Nairobi on alternate years;
- a stronger role for the GMEF as a policy advisor to decision-making processes in multilateral financial institutions, including the GEF;
- a restructuring of the GMEF GC agenda to take account of the consolidation of the GMEF's functions and those of the UNEP Governing Council; and
- a proposal that the GMEF receive reports from the EMG.

Egypt stressed that proposals on IEG should be in line with UN General Assembly Resolution 53/242 on the establishment of the GMEF, and that its framework should not run counter to CSD initiatives. Iran, on behalf of the G-77/China, said he could accept universal participation in the GMEF along the lines of participation in the CSD but with limited membership. He warned that universal membership of the GMEF would herald many implications. He said that no country could be forced to become a member of the GMEF.

Chair Roch said it was clear that no country could be forced into membership of the GMEF, and explained that there was merely a desire to open membership to all countries who wished to join, and that this provision could be decided by the General Assembly.

Australia welcomed proposals for an enhanced role for the GMEF within its existing mandate. He said the mandate had not been fully explored. He cautioned that existing MEA/COP mandates must be respected, and questioned a proposal to extend the GMEF Bureau. Indonesia said that the GMEF was no panacea. Chair Roch urged dele-



gations to discuss their political demands and save legalistic arguments for later and assured participants that any competition between the roles of the CSD and the GMEF could be resolved.

Colombia reminded the Chair that delegations could not progress beyond the mandates received from their capitals, and invited the Secretariat to seek a refinement of the advice on the legal status of the GMEF. Norway supported universal membership to strengthen the GMEF. Nigeria challenged supporters of an enhanced GMEF to “come straight out and say that they want a new global environmental body,” and said difficulties would continue as long as it was proposed that the ministerial segment of the Governing Council should be transformed into a superstructure independent of the Governing Council.

The EU supported universal membership for the GMEF and possibly for the Governing Council. He said the GMEF should not become a new body dealing with sustainable development governance but could deal with environmental mainstreaming. He also called for a creative approach to enhancing the GMEF’s role in providing guidance to the MEA/COPs. The Republic of Korea expressed concern that the CSD and GMEF mandates would overlap. The US said the GMEF mandate is the mandate of the Governing Council. He outlined ways in which the GMEF/Governing Council role could be improved with a more structured, science-based approach to dialogue, a role in identifying trends and emerging risks, and an engagement in priority-setting that would not conflict with priorities established by MEA/COPs. He said that the GMEF could also reaffirm UNEP’s efforts to enhance its relationship with the GEF. He said all of this should remain within the authority granted to the GMEF GC by UN General Assembly Resolution 53/242.

Canada, the EU, and Antigua and Barbuda welcomed Norway’s proposals on an intergovernmental panel for assessing global environmental change (UNEP/IGM/4/CRP.1), and a strategic plan of action for implementation support (UNEP/IGM/4/CRP.2). They suggested integrating them into existing proposals. Canada welcomed US proposals on areas where the GMEF could provide guidance to MEAs/COPs while respecting their mandates. Argentina said it is not the task of the meeting to discuss the creation of a new international body. The World Meteorological Organization (WMO) called on the meeting to give due consideration to existing bodies involved in environmental assessment and early warning in order.

Brazil expressed discomfort with proposals that the GMEF provide overarching advice to other bodies and proposed a horizontal rather than vertical relationship with the MEAs.

The US stressed that it could not support the GMEF adopting a role in coordinating MEAs, noting that there is no basis for such a proposition in General Assembly Resolution 53/242. New Zealand supported a GMEF role in providing guidance to MEAs insofar as COPs maintain the competence to take final decisions. Egypt supported specialized agency status for the UNEP. The G-77/China, Egypt, the US and Indonesia supported the involvement of civil society and the private sector in the GMEF. New Zealand expressed caution about a proposed CSD-style multi-stakeholder dialogue at the GMEF.

Chair Roch reconvened Working Group I on Saturday afternoon, 1 December. He asked the UNEP Secretariat to explain the legal background to a number of proposals in the President’s Proposals. The Secretariat cited from UN General Assembly Resolution 2997 on the establishment of the UNEP Governing Council, Chapter 28 of Agenda 21, and the Nairobi Declaration, to explain the background to proposals for the GMEF regarding policy guidance, work on emerging

issues, coordination requirements arising from the increasing number of MEAs, the functioning of MEA secretariats, and EMG reporting to the GMEF.

The Chair introduced a revision of the President’s Proposals on improving coherence in policy-making and the role and structure of the GMEF, taking account of the deliberations during the working group’s first meeting. Among elements deleted from the President’s original text on the role and structure of the GMEF were references to allocating “greater authority” to the GMEF, and to its “overarching” role in policy advice. The revised document also: affirms that the GMEF and the Governing Council are one body; indicates that options regarding universal membership of, or participation in, the GMEF remain open; and reflects the need to avoid confusion between the roles of the GMEF and the CSD.

After an adjournment, Chair Roch invited participants to respond to his revision of the President’s Proposals on improving coherence in policy-making and the role and structure of the GMEF. To reflect their views on the relationship between the GMEF and the Governing Council, the US and the G-77/CHINA referred, in their amendments, to the “GC/GMEF,” thus reversing the order which appeared in the President’s Proposals.

The G-77/China proposed a number of amendments, to:

- ensure that the text reflects General Assembly Resolution 53/242;
- ensure that any role for the “GC/GMEF” in reviewing environmental policy in the UN system respects the independent legal status and governing structures of MEAs;
- ensure that the GC/GMEF will meaningfully consider the views of major groups, including NGOs and the business sector, within established UN rules and modalities; and
- invite the GMEF to institute a regular dialogue with multilateral financial institutions, including the GEF, to improve funding for the environmental component of sustainable development.

On participation in the GMEF, the G-77/China and the US preferred text that emphasizes ensuring broad and universal participation in the work of the GMEF GC.

With the support of the US, the G-77/China introduced a replacement paragraph, stating that the GMEF is constituted by the GC/UNEP, as envisaged in General Assembly Resolution 53/242.

The EU supported referring to the authoritative role of the GMEF GC. On universal membership, he proposed text stating that “a universal membership of the GMEF may call for further exploration of the need of universal membership of the UNEP Governing Council.” On the relationship between the GMEF and MEAs, he proposed that a new understanding of the relationship between the relevant bodies be formalized by the GMEF and could be agreed upon by a resolution of the UN General Assembly. This would also require a decision by the autonomous COPs of environmental and environment-related conventions. He proposed an exploration of the possibility of having occasional back-to-back meetings between the GMEF and MEAs and between MEAs. He underlined the EU’s support for the GMEF in providing policy advice by making recommendations for consideration by COPs. Norway and Switzerland supported the maintenance of a reference to a policy guidance role for the GMEF GC.

The US supported many of the comments from the G-77/China. He proposed deleting a reference to “improving coherence” in policy making, noting that the US does not believe that current IEG is incoherent. He also proposed deleting references to the GMEF GC as “the umbrella environmental policy forum” and a coordinating role for the



GMEF. On defining the role of the GMEF GC, the US proposed alternative text stating that: "There is room for clarifying how to make the most effective use of the GC/GMEF within its existing mandate, without prejudice to the autonomy of other institutions." On coordinating decision-making on international environmental policy with decision-making on financing, the US proposed that the GC/GMEF reaffirm UNEP's effort to enhance its relationship with the GEF through the Action Plan on Complementarity between its GEF activities and its Programme of Work, as adopted in Decisions 20/7 and 21/25. On the respective agenda items for the GMEF and the Governing Council, the US proposed that the ministers work on policy "within the current mandate of the GC/GMEF."

On the GMEF GC role in environmental assessment, monitoring and early warning, Norway, supported by Canada, proposed that consideration be given to the idea of establishing an intergovernmental panel for the assessment of global environmental change and its consequences for social and economic development.

WORKING GROUP II

Kezimbira Miyingo, Minister of State for Environment, Uganda, chaired Working Group II, which considered the President's Proposals on improved coordination and coherence between MEAs, capacity building, technology transfer and country-level coordination for environment and sustainable development, and the role of the EMG in enhanced coordination across the UN system.

IMPROVED COORDINATION BETWEEN MEAS: The President's Proposals on improved coordination and coherence between MEAs addresses, *inter alia*:

- the negative impact of the increasing burdens on governments' ability to participate in proliferating meetings;
- the possibility of "clustering" MEAs at the functional or programme level;
- the need for a more coherent approach to reporting, scientific assessment and capacity building;
- endowing the GMEF with the necessary authority to serve as a venue for reviewing progress in addressing synergies; and
- ensuring that UNEP works with secretariats to develop a functional, programme-based clustering approach.

On proliferating meetings, the US suggested that COPs hold meetings biannually rather than annually, hold shorter meetings, and reconsider the need for subsidiary body meetings. The Convention on International Trade in Endangered Species noted that: it is Parties themselves who decide on the schedule of meetings; host countries might not want the expense of more than one meeting; and holding meetings in one location would limit the opportunities for civil society to participate, particularly developing country NGOs. Egypt, on behalf of the G-77/China, emphasized that back-to-back meetings are inappropriate because they are too long and draw on different constituencies at the national level.

On clustering MEAs, the G-77/China supported the idea of pilot clustering, pending approval from the COPs. The US said that fragmentation is not a problem in the current system, and noted the abstract nature of the term "clustering" and stated that although the US approves of enhancing coordination, it does not support collecting MEAs under particular categories and imposing a superstructure to manage them. Chair Miyingo stressed that clustering at the programme level does not imply abolishing secretariats or COPs. The UN Framework Convention on Climate Change Secretariat supported the idea of

pilot clustering, but said it is not appropriate in all circumstances, noted that functional clustering raises issues of accountability, and highlighted the impracticality of clustering approaches to compliance monitoring. The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal described its experience with clustering activities of mutual interest with the Stockholm Convention on Persistent Organic Pollutants (POPs) and the Rotterdam Convention on Prior Informed Consent (PIC). The EU highlighted the value of taking a horizontal or functional approach to the issue of clustering, and cited examples of pilot clustering projects or UNEP guidelines for compliance and enforcement on a functional level. Indonesia supported the idea of clustering MEAs into five categories: atmosphere, chemicals, biodiversity, land, and oceans. UNEP clarified that clustering had been recommended by MEA secretariats.

Canada supported the proposal to endow the GMEF with the necessary authority to review progress in addressing synergies and service a clustering approach, whereas the G-77/China said that it is beyond the GMEF's mandate to decide on criteria for clustering. The EU supported the suggestion that the GMEF address opportunities for synergy, stressing that accountability would not be lost.

CAPACITY BUILDING, TECHNOLOGY TRANSFER AND COORDINATION: The working group also considered the President's Proposals on capacity building, technology transfer and country-level coordination for environment and sustainable development, which stress, *inter alia*, that:

- the ability of developing countries to participate in international environmental policy and implement environmental agreements must be strengthened;
- capacity building and technical assistance are important components of UNEP's work;
- strategic partnerships could include a role for UNEP, in collaboration with UNDP, in country-level delivery capacity, and be built on capacity building, training and national-level coordination; and
- any strategic partnership between UNEP and the GEF should be based on a strengthened role for UNEP as one of the three GEF implementing agencies.

The EU recommended possibilities for restructuring the section, including the insertion of a paragraph on implementation in general, referring to measures such as capacity building, technology transfer, coordination, innovative partnerships, peer review, compliance and liability. Norway stressed the need to address the gap between environmental commitments and implementation, and assist developing countries with implementation. He drew attention to its conference room paper, which promotes an intergovernmental strategic plan that includes capacity building as a key component. The G-77/China emphasized that support for developing country implementation is not always forthcoming, and expressed concern that the President's Proposals do not refer to technology transfer, and reservations about discussions on compliance, liability and enforcement.

ENHANCING COORDINATION AND THE ROLE OF THE EMG: Delegates discussed the President's Proposals on the role of the EMG in enhancing coordination across the UN system, which emphasize, *inter alia*, that for the GMEF to develop into an umbrella policy forum, it would require an instrument at the inter-agency level to enhance policy coordination across the activities of the UN system, and that the EMG could be such an instrument. It also notes that the EMG provides the potential for mainstreaming the environment in the UN system by acting as a counterpart to the UN Development Group.



The G-77/China requested more information about the EMG, particularly its membership and terms of reference, and expressed unease at the prospect of the EMG mainstreaming the environment into the UN system, as it could impose conditionalities on developing countries. The EU supported the President's text on this section and emphasized that the EMG mandate will not be changed. The US said that the EMG does not require an extended mandate and that it should concentrate on working with MEAs to enhance information-sharing.

Following these discussions in the working group, a number of participants continued in informal-informal consultations into the early hours of Saturday morning.

WORKING GROUP ON FINANCING FOR UNEP

On Saturday morning, 1 December, Børge Brende, Norwegian Minister of the Environment, convened a Working Group on Financing for UNEP. They addressed the President's Proposals on strengthening the role, authority and financial situation of UNEP, which outline, *inter alia*, that:

- UNEP is hampered by insufficient and unpredictable resources;
- an immediate solution to the funding of UNEP is a necessary condition for strengthening the current IEG system;
- converting UNEP into a specialized agency may be an option for consideration in the longer term; and
- strong recommendations have been made for the establishment of a negotiated or "agreed" non-binding scale of assessments for the Environment Fund.

Chair Brende noted that UN General Assembly Resolution 2997 (XXVII), which established UNEP, specifies that UNEP's administrative costs should be borne by the regular budget of the UN, although he emphasized that this is not the case today.

Japan highlighted civil society and private sector contributions as possible alternative sources of funding for UNEP, and noted that in addition to strengthening the financial base of UNEP, there is need to use existing resources more efficiently. The EU stressed the need for robust financial arrangements so that UNEP can play a central role in IEG. He emphasized that funding should be pluri-annual, negotiated and assessed, and supported the idea of private sector funding as a complementary but not primary source of finance.

The G-77/China expressed concern with scaled assessments, but supported multi-year pledges. Switzerland supported a system of voluntary assessed contributions, noting that voluntary contributions have worked for other MEAs. Indonesia emphasized that such a system is unprecedented within the UN system, and cautioned against any funding arrangement that would place an additional burden on developing countries. Canada noted that such a system would help Canada increase its funding for UNEP and proposed a system of voluntary assessed contributions for countries that are willing, and voluntary pledges for others. The US noted: that multi-year pledges are difficult for the US; the complexity of determining assessed amounts; and that a system of voluntary assessed amounts would set a precedent within the UN system.

Brazil noted that the UNFCCC receives ample voluntary contributions because countries attach high importance to the Convention. He advocated improved efficiency, highlighted that there are funding mechanisms other than the Environment Fund such as trust funds, and encouraged greater private sector involvement. South Africa recommended examining the possibility of expanding the capacity and expertise of UNEP. Sweden recommended creativity in finding a

formula for increasing predictable funding based on voluntary assessed contributions for the Environment Fund. Denmark noted that competence attracts funding.

Chair Brende concluded, highlighting: general agreement on implementing UN General Assembly Resolution 2997 regarding contributions to UNEP from the regular UN budget; some support for a system of voluntary assessed contributions, with some reservations; and no strong opposition to multi-year pledges, though some countries, including the US, may not be able to pledge multi-annual contributions.

CLOSING PLENARY

Chair Anderson called the closing Plenary to order late on Saturday afternoon, 1 December. He invited the Chairs of the three working groups to report on progress.

WORKING GROUP I: Working Group I Chair Roch reported on discussions and explained that the Secretariat had worked overnight to produce a revised version of the President's Proposals on improving policy coherence and on the role and structure of the GMEF, following deliberations by the working group on Friday evening. The resulting Chair's text, in the form of non-paper, contained changes designed to avoid misunderstanding around some language in the original text.

He noted that delegations had agreed to proceed on the basis of the Chair's revised text and had offered amendments, which were to be submitted in written form and incorporated by President Anderson into a new document for distribution, as proposals emerging from IGM-4.

Roch asked President Anderson to consider tabling a document containing a synthesis of the consensus-based proposals together with options on issues where a divergence of opinion remains. Roch also asked the President to consider the merit of convening a small group after IGM-4 to help reach agreement on the Chair's revised text.

WORKING GROUP II: Chair Miyingo summarized Working Group II's discussions on improved coordination and coherence between MEAs, capacity building, technology transfer and country-level coordination, and the role of the EMG. He noted that good progress had been made, and that a revised Chair's text (UNEP/IGM/4/CRP.3), based on the President's Proposals and the discussions of the working group had been agreed.

The revised text differs from the original in that it, *inter alia*:

- stresses that the authority and the autonomy of the governing bodies of COPs and the accountability of their secretariats to their respective governing bodies should be taken into account;
- substitutes the term "synergies" for "clustering," noting that such synergies should be promoted with the full agreement of the COPs and recommending the initiation of pilot projects;
- notes the benefits of taking a more coordinated approach to scheduling of meetings; and
- omits reference to the GMEF as a venue for reviewing progress in addressing synergies.

On capacity building, technology transfer and country-level coordination for the environmental pillar of sustainable development, the revised Chair's text differs from the original in that, *inter alia*: it stresses the need for measures required at international, regional, and national levels and the particular importance of strengthening ministries in developing countries; and notes the proposal from Norway aimed at promoting an inter-governmental strategic plan for implementation through partnership between UNEP and other relevant bodies. On enhanced coordination across the UN system and the role



of the EMG, the revised Chair's text differs from the President's Proposal in that, *inter alia*, it: omits reference to decisions of the GMEF being transmitted through the EMG to other intergovernmental bodies within the UN system; notes that UNEP may be invited to join the UN Development Group and omits text on the EMG acting as a counterpart to the UN Development Group; and indicates the need for the EMG to have a clearly defined reporting relationship with the GMEF and the CSD.

WORKING GROUP ON FINANCE: Chair Brende summarized the progress of the working group on strengthening the role, authority, and financial situation of UNEP. He noted general agreement that UN General Assembly Resolution 2997, on contributions to UNEP from the UN regular budget, must be implemented. He stated that: some countries favored voluntary assessed contributions while others expressed reservations; mandatory assessed contributions are not perceived as realistic; and a legal view regarding how voluntary assessed contributions would impact the UN system is needed. He highlighted:

- a lack of strong opposition to multi-year pledges, although some countries may not adhere;
- many delegations seek greater efficiency in the use of UN funds;
- a call for UNEP to provide financial and strategic plans; and
- the need for mobilizing resources to remain a priority.

He concluded that further informal consultations may be held in the near future.

CLOSING REMARKS: President Anderson reminded participants that UNEP Governing Council Decision 21/21 had established the IGM to strengthen IEG. He said the IGM had been mandated to report to the next special session of the GMEF GC, which will conduct an in-depth evaluation of IEG and come to a decision to be conveyed to the WSSD preparatory process.

In light of progress made at IGM-4, Anderson noted that a large number of interventions had contributed to a refinement of the President's Proposals, and further written submissions would also be incorporated, in consultation with the Working Group Chairs. He undertook to continue with intersessional consultations in the lead-up to the GMEF GC meeting in Cartagena in February 2002 and report to the third PrepCom for the WSSD in New York, in March. He said there would be an opportunity to further benefit from the views of New York-based delegates and would consult with the Bureau on arrangements for the next meeting.

President Anderson said that he would make information fully available to all delegations, and that modalities for the IEG meeting in New York would be decided by the Bureau of UNEP's Governing Council. He stressed the need for decisions and processes to be in accordance with Governing Council Decision 21/21.

The G-77/China, the EU and the US thanked the Canadian hosts, President Anderson and the Secretariat. UNEP Deputy Executive Director Donald Kaniaru, on behalf of UNEP Executive Director Klaus Töpfer, thanked the delegations for their commitment to the continuation of the IEG process and thanked Canada for hosting the meeting.

President Anderson drew the IGM-4 meeting to a close on Saturday, 1 December, at 6:00 pm

A BRIEF ANALYSIS OF IGM-4

WHEN IS A NEGOTIATION NOT A NEGOTIATION?

The challenge for IGM-4 was to steer a somewhat ambiguous path between a negotiation and a more limited exercise designed to reach a general consensus on underlying principles for international environmental governance "in broad terms." The intention was to reach sufficient consensus by February so that ministers could pick up the baton at the GMEF Governing Council Special Session and agree on a clear and detailed decision to be transferred to the WSSD preparatory process.

The character of the process has not always contributed to clarity in deliberations. President Anderson's use of the "building blocks" document, in which he attempted to capture the "emerging consensus" across the IGM meetings, has irked some delegations more intent on clearly identifying and resolving differences that still exist on core issues, such as financing UNEP and the question of whether the GMEF's future role is to remain within or go beyond its current terms of reference.

While opportunism cannot be ruled out as the motive for some claims that the output from IGM-3 in Algiers was less than clear due to the nature of the President's presentation of the "Proposals," the process nevertheless contributed to unnecessary delays. More procedural ambiguity crept into proceedings at close of play on Saturday when the President parried questions from the floor about the modalities of the next IEG meeting, scheduled to take place in New York before the GMEF GC session. The New York meeting was planned at an unprecedented joint meeting involving the Bureaux of the UNEP Governing Council, the Committee of the Permanent Representatives to UNEP and the CSD.

Expectations that negotiations might be brought to a swift conclusion at IGM-4 proved unfounded, but some progress was achieved in each of the working groups. In the group addressing the role and structure of the GMEF, participants reached agreement on using the President's Proposals as the basis for negotiation and tabled proposals reflecting divergent views on the level and scope of authority to be enjoyed by the GMEF in any policy guidance role it may assume. This limited success came about after some private confidence-building approaches to the US delegation, which had initially resisted getting involved in a detailed negotiation based on the President's Proposals.

THE VISCIOUS CIRCLE OF FINANCE AND COMPETENCY

Both the President of the UNEP Governing Council and the UNEP Executive Director have indicated that the issue of financing UNEP will be a litmus test for the IEG process. The President's Proposals claim that UNEP's role falls short of expectations because it is hampered by insufficient resources and, as a consequence, the document stresses the necessity of finding an immediate solution to UNEP's funding problem. In the Working Group on Finance, participants discussed various options for increasing UNEP's financial base. A number of participants highlighted that some of the responsibility for UNEP's financial situation lies with UNEP itself, suggesting that increased competency would attract the kind of stable funding that UNEP badly needs. On the other hand, it is likely that UNEP would be able to meet expectations if it received adequate funding, beginning with the UN living up to its commitment to bear UNEP's full administrative costs.



CONCLUSION

President Anderson's use of the "building blocks" document to distill proposals from the IGM meetings has contributed to a delay in opportunities for some participants to engage fully and effectively around the points of disagreement over some key issues. Much now remains to be distilled, agreed and negotiated prior to the next meeting. It is a measure of the ambiguity that has surrounded the process that some mystery remains regarding the timing, modalities and scope of that meeting, which is scheduled to take place in New York.

Some were frustrated with the procedural confusion, and others were dissatisfied with the tentative character and lack of detail in discussions on broad conceptual issues at this late stage in the IEG process. It is worth recalling that the IEG process is remarkably ambitious. After the explosive growth of environmental agreements in the last thirty years, the move to consolidate global environmental governance is part of an unprecedented transformation in a traditionally anarchic international system. Only when minds and interests are focused by the next stage of the IEG process, during the latter preparations for the WSSD and in Johannesburg itself, will it be clear how much political capital is to be invested in change.

THINGS TO LOOK FOR BEFORE THE WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT

2001 BERLIN CONFERENCE ON THE HUMAN DIMENSIONS OF GLOBAL ENVIRONMENTAL CHANGE: This conference will be held from 7-8 December 2001, in Berlin, Germany. Entitled "Global Environmental Change and the Nation State," the conference will examine the interlinkages between global and national environmental politics, and look at new forms of global environmental governance that link global institutions with a significant degree of national decision-making. For more information, contact: Frank Biermann, Chair, Environmental Policy and Global Change Working Group of the German Political Science Association; tel: +49-331-2882572; fax: +49-331-2882600; e-mail: biermann@pik-potsdam.de; Internet: <http://www.fu-berlin.de/ffu/akumwelt/bc2001/index.htm>

FIFTH MEETING OF THE OPEN-ENDED INTERGOVERNMENTAL GROUP OF MINISTERS OR THEIR REPRESENTATIVES ON INTERNATIONAL ENVIRONMENTAL GOVERNANCE: The dates, modalities and scope of the next meeting of the IGM is still to be determined, although the meeting has been tentatively set to take place in New York in January 2002. For more information, contact: Bakary Kante, Director, Division of Policy Development and Law, UNEP; tel: +254-2-624-065; fax: +254-2-624-324; e-mail: bakary.kante@unep.org; Internet: <http://www.unep.org/IEG>

SECOND PREPARATORY SESSION FOR THE 2002 WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT: This meeting will take place from 28 January-8 February 2002, at UN headquarters in New York. It will review the results of national and regional preparatory processes, examine the main policy report of the UN Secretary-General, and convene a Multi-stakeholder Dialogue. For more information, contact: Andrey Vasilyev, DESA; tel: +1-212-963-5949; fax: +1-212-963-4260; e-mail: vasilyev@un.org; Internet: <http://www.johannesburgsummit.org/>; Major groups contact: Zehra Aydin-Sipos, DESA; tel: +1-212-963-8811; fax: +1-212-963-1267; e-mail: aydin@un.org.

GLOBAL MINISTERIAL ENVIRONMENT FORUM/ SEVENTH SPECIAL SESSION OF THE UNEP GOVERNING COUNCIL: This meeting is scheduled to take place from 13-18 February 2002, in Cartagena, Colombia. It will consider future requirements of IEG and transmit the outcome to the WSSD preparatory process. For more information, contact: Bakary Kante, Director, Division of Policy Development and Law, UNEP; tel: +254-2-624-065; fax: +254-2-624-324; e-mail: bakary.kante@unep.org; Internet: <http://www.unep.org/IEG>

INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT: The UN International Conference on Financing for Development will be held from 18-22 March 2002, in Monterrey, Mexico. It will bring together high-level representatives from governments, the UN, and other leading international trade, finance and development-related organizations. For more information, contact: Harris Gleckman, Financing for Development Coordinating Secretariat; tel: +1-212-963-4690; fax: +1-212-963-0443; e-mail: gleckman@un.org; Internet: <http://www.un.org/esa/ffd>

THIRD PREPARATORY SESSION FOR THE 2002 WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT: This meeting will take place at UN headquarters in New York, from 25 March-5 April 2002. It is expected to produce the first draft of a "review" document and elements of the future work programme of the CSD. For more information, contact: Andrey Vasilyev or Zehra Aydin-Sipos, DESA (see above).

FOURTH PREPARATORY SESSION FOR THE 2002 WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT: This meeting is scheduled to take place from 27 May-7 June 2002, in Jakarta, Indonesia. It will include Ministerial and Multi-stakeholder Dialogue Segments, and is expected to result in elements for a concise political document to be submitted to the WSSD. For more information, contact: Andrey Vasilyev or Zehra Aydin-Sipos, DESA (see above).

2002 WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT: The 2002 World Summit on Sustainable Development is scheduled to take place in Johannesburg, South Africa, from 2-11 September 2002. For more information, contact: Andrey Vasilyev or Zehra Aydin-Sipos, DESA (see above).