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of the United Nations
Environment Programme**

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International environmental governance

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Report of the Executive Director

Summary

The present report presents a summary of actions taken or proposed on international environmental governance in the implementation of United Nations Environment Programme (UNEP) Governing Council/Global Ministerial Environment Forum decisions SS.VII/1 and SS.VIII/1, on international environmental governance. The following issues are addressed:

- (a) An intergovernmental strategic plan for technology support and capacity-building;
- (b) Universal membership of the Governing Council/Global Ministerial Environment Forum;
- (c) Strengthening the scientific base of UNEP;
- (d) Strengthening the financing of UNEP;
- (e) Issue concerning multilateral environmental agreements;
- (f) Enhanced coordination across the United Nations system, including the Environmental Management Group.

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* UNEP/GC.23/1.

I. Suggested action by the Governing Council

1. The Governing Council may wish to take into account the following draft decision text in its consideration of a decision concerning international environmental governance:

23/[]. Implementation of decision SS.VII/1 on international environmental governance

The Governing Council,

Recalling General Assembly Resolution 2997 (XXVII) of 15 December 1972, the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme and the Malmö Ministerial Declaration,

Also recalling General Assembly resolutions 57/251 of 20 December 2002, 58/209 of 23 December 2003 and 59/226 of 22 December 2004,

Further recalling its decision SS.VIII/1 of 31 March 2004 and the Plan of Implementation of the World Summit on Sustainable Development, which emphasized the full implementation of decision SS.VII/1 of 15 February 2002,

Reiterating the need to ensure that the provision of technology support and capacity-building in environment-related fields to developing countries and countries with economies in transition remains an important component of the work of the United Nations Environment Programme,

Noting with appreciation the work of the High-level Open-ended Intergovernmental Working Group on an Intergovernmental Strategic Plan for Technology Support and Capacity-building, as well as the contributions submitted to it by regional ministerial and other intergovernmental forums in the field of the environment, United Nations bodies and agencies, including their submissions through the Environmental Management Group, civil society organizations, major groups and expert institutions,

Having considered the report of the Executive Director on international environmental governance¹,

1. *Adopts* the Bali Strategic Plan for Technology Support and Capacity-building, as adopted by the High-level Open-ended Intergovernmental Working Group on an Intergovernmental Strategic Plan for Technology Support and Capacity-building at its third session in Bali on 4 December 2004;
2. *Calls upon* Governments in a position to do so to provide necessary additional financial resources for the full implementation of the Bali Strategic Plan for Technology Support and Capacity-building;
3. *Requests* the Executive Director to report on measures taken for the full implementation the Bali Strategic Plan for Technology Support and Capacity-building at its ninth special session, in 2006, and the further implementation thereof at its twenty-fourth session, in 2007;
4. *Notes* that there exist divergent views on the important but complex issue of establishing universal membership of the Governing Council/Global Ministerial Environment Forum;
5. *Decides* to continue to review and consider the issue of universal membership of the Governing Council/Global Ministerial Environment Forum with a view to providing inputs as a contribution to the report of the Secretary-General to the General Assembly at its sixty-first session;
6. [To insert a paragraph concerning a decision on strengthening the scientific base of the United Nations Environment Programme to be developed on the basis of the suggested action presented in document UNEP/GC.23/3];
7. *Underlines* the need for stable, adequate and predictable financial resources for the United Nations Environment Programme and the Environment Fund, in the context of the United Nations regular budget, as reflected in General Assembly resolution 2997 (XXVII);

¹ UNEP/GC.23/6.

8. *Takes note* in this regard of the pilot phase of the application of a voluntary indicative scale of contributions to the United Nations Environment Programme, including the significant broadening of the donor base and increase in total contributions to the Environment Fund;

9. *Decides* to extend the pilot phase for the 2006–2007 biennium and requests the Executive Director to report on its implementation during the twenty-fourth session of the Governing Council/Global Ministerial Environment Forum in 2007;

10. *Also takes note* of the ongoing activities undertaken by the United Nations Environment Programme to increase coordination among and effectiveness of multilateral environmental agreements, taking into account the autonomous decision-making authority of the conferences of the parties to such agreements, and the need to promote the environmental dimension of sustainable development among other relevant United Nations organizations;

11. *Notes* in this regard the report on the assessment of the location of the secretariat of the Environmental Management Group, and its mandate and future programme of work;

12. *Further requests* the Executive Director to continue with measures to enhance coordination across the United Nations system and to report thereon during the ninth special session of the Governing Council/Global Ministerial Environment Forum in 2006.

II. Bali Strategic Plan on Technology Support and Capacity-building

2. The Governing Council/Global Ministerial Environment Forum, in its decision SS.VIII/1 III, decided to establish a high-level open-ended intergovernmental working group of the Governing Council/Global Ministerial Environment Forum with the mandate to prepare an intergovernmental strategic plan for technology support and capacity-building for its consideration at its twenty-third session.

3. Pursuant to that decision, the High-level Open-ended Intergovernmental Working Group on an Intergovernmental Strategic Plan for Technology Support and Capacity-building held three sessions, one in New York on 25 June 2004, one in Nairobi from 2 to 4 September 2004, and one in Bali, Indonesia, from 2 to 4 December 2004.

4. The following Governments were represented at one or more of the sessions: Algeria, Angola, Argentina, Armenia, Australia, Austria, Bahamas, Belarus, Bangladesh, Belgium, Belize, Bhutan, Brazil, Bulgaria, Burkina Faso, Burundi, Cambodia, Canada, Central African Republic, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Croatia, Czech Republic, Democratic Republic of the Congo, Denmark, Dominica, Ecuador, Egypt, Eritrea, Ethiopia, Finland, France, Germany, Greece, Grenada, Guinea-Bissau, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Israel, Italy, Ireland, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kyrgyzstan, Libyan Arab Jamahiriya, Luxemburg, Malaysia, Maldives, Mali, Mauritius, Mexico, Monaco, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Netherlands, Nicaragua, Niger, Nigeria, Norway, Nepal, New Zealand, Papua New Guinea, Pakistan, Palau, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Russian Federation, Rwanda, Samoa, San Marino, Saudi Arabia, Senegal, Seychelles, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Thailand, Trinidad and Tobago, Turkey, Tuvalu, Uganda, Ukraine, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela, Viet Nam, Yemen, Zambia, and Zimbabwe.

5. Observers for the Holy See and the Palestinian Authority also participated.

6. Representatives of the following organizations were also present at one or more of the sessions: United Nations Department of Economic and Social Affairs, United Nations Development Programme, United Nations Institute for Training and Research, United Nations Population Fund, United Nations University Institute of Advanced Studies, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Bank, World Health Organization, World Meteorological Organization, International Fund for Agricultural Development, Convention on Biological Diversity, United Nations Framework Convention on Climate Change, Vienna Convention for the Protection of the Ozone Layer and Montreal Protocol on Substances that Deplete the Ozone Layer, African Regional Centre for Technology, European Commission, IUCN — The World Conservation Union and League of Arab States.

7. Many non-governmental organizations were represented at one or more of the sessions or submitted contributions.
8. The Working Group was chaired by Mr. Arcado Ntagazwa, President of the Governing Council, throughout the three sessions, with the assistance, at the second and the third session, of two co-facilitators, Mr. Bagher Asadi (Islamic Republic of Iran) and Ms. Idunn Eidheim (Norway).
9. During its sessions, the Working Group considered contributions from Governments at its meetings as well as those from regional ministerial and other intergovernmental forums as well as other environmental forums, including submissions from regional forums in Africa, Asia and the Pacific, Latin America and the Caribbean, Eastern Europe and Central Asia, North America and the Economic Cooperation Organization region.
10. The Working Group also considered contributions from United Nations bodies, programmes and agencies, including the United Nations Development Programme and the Global Environment Facility, convention secretariats, other intergovernmental organizations, civil society and major group organizations and experts and expert institutions. The Environmental Management Group also submitted a contribution to the Working Group, including case studies on biodiversity and chemicals-related capacity-building activities and a joint statement of member organizations prepared by an issue management group on the strategic plan that it had established, which was co-chaired by UNEP and the United Nations Development Programme (UNDP). The Executive Director submitted to the working Group an inventory of relevant activities of UNEP.
11. The Working Group, at its third session in Bali, having successfully concluded its negotiations, unanimously adopted an intergovernmental strategic plan, which it named the Bali Strategic Plan for Technology Support and Capacity-building. The Bali Strategic Plan has been submitted to the Governing Council/Global Ministerial Environment Forum for adoption. The text of the Bali Strategic Plan is set out in document UNEP/GC.23/6/Add.1.

III. Universal membership of the Governing Council/Global Ministerial Environmental Forum

12. Pursuant to General Assembly resolution 57/251 and Governing Council decision 22/17 I, the Executive Director sent a letter on 16 June 2003 to all Governments, inviting them to submit by 31 October 2003 their views on the question of universal membership of the Governing Council/Global Ministerial Environment Forum. An updated issue paper was enclosed with the letter for information (UNEP/IEG/UM/1/1), and was presented for consideration by the Council/Forum at its eighth special session (UNEP/GCSS.VIII/INF/11).
13. Prior to the eighth special session of the Governing Council/Global Ministerial Environment Forum, the UNEP secretariat had received written comments from the Governments of Barbados, Canada, Chile, China, Georgia, Italy (on behalf of the 25 members and acceding States of the European Union), Malaysia, Mexico, Monaco, New Zealand, Norway, Russian Federation, Slovenia, Switzerland, Syrian Arab Republic, Turkey, United States of America and Venezuela. Of these, 12 Governments expressed support for universal membership, three were opposed, two others indicated that they had not decided their positions and needed more time to consider the issue, and one indicated that it was being positively pursuing the matter. A synthesis of those views was presented in documents UNEP/GCSS.VIII/5 and UNEP/GCSS.VIII/INF/6.
14. The Governing Council/Global Ministerial Environment Forum, having considered the matter at its eighth special session, adopted decision SS.VIII/1 on international environmental governance. In part I of the decision, the Council/Forum noted the variety and divergence of views of Governments on the question of universal membership of the Governing Council/Global Ministerial Environment Forum described in the note of the Executive Director² and voiced during that session. The Council/Forum further noted the note of the Executive Director on the question of universal membership³ and requested the Executive Director to continue to invite views on universal membership with a view to conveying the views expressed by Governments to the Secretary-General of the United Nations as input for a report to the United Nations General Assembly to be prepared in accordance with General Assembly resolutions 57/251 of 20 December 2002 and 58/209 of 23 December 2003. The Council/Forum also

² UNEP/GCSS.VIII/INF/6.

³ UNEP/GCSS.VIII/INF/11.

requested that the Executive Director present a report on this matter to the Governing Council/Global Ministerial Environment Forum at its twenty-third session.

15. In the light of the outcomes of the eighth special session of the Governing Council/Global Ministerial Environment Forum and in accordance with General Assembly resolutions 57/251 and 58/209, the Secretary-General submitted a report to the General Assembly at its fifty-ninth session in which he described the status of deliberations on this matter.⁴ Consequently, the General Assembly at its fifty-ninth session considered this matter, the outcome of which was reflected in its resolution 59/226.

16. In that resolution, the General Assembly noted that the matter remained an important but complex issue and that a difference of views still existed. The Assembly further noted that the matter would be considered at the twenty-third session of the Governing Council/Global Ministerial Environment Forum and requested further views to be submitted for incorporation in a report by the Secretary-General, so that the Assembly could decide on the matter at its sixty-first session.

17. Pursuant to Governing Council decision SS.VIII/1, the Executive Director on 25 August 2004 sent a letter to all Governments, seeking their further views on the question of universal membership. By 10 December 2004, the UNEP secretariat had received responses from the Governments of Armenia, Australia, Egypt, Iran (Islamic Republic of), Japan, the Netherlands (on behalf of the European Union and its 25 member States), the Russian Federation, Sudan, Thailand, Turkey and the United States of America.

18. In addition, the Government of Sweden submitted a chair's summary of an international seminar on the future governance of UNEP it had held in Stockholm on 22 and 23 November 2004, which contained, among other things, views on universal membership of the Governing Council/Global Ministerial Environment Forum.

19. The additional views submitted showed that there remained divergent views on the question of universal membership.

20. The views of those Governments that expressed their support for universal membership of the Governing Council/Global Ministerial Environment Forum may be summarized as follows:

(a) Strengthening of international environmental governance should result in a reinforced UNEP; there was a need for better political guidance, which would enhance the ability of UNEP to address emerging issues and provide for more efficient and effective decision making. Such strengthening should be through a combination or package of measures, based on the outcomes of the seventh special session of the Governing Council/Global Ministerial Environment Forum. Universal membership of UNEP is a crucial element in the process of strengthening UNEP;

(b) Since UNEP is responsible for ensuring environmental well-being on a global scale and for coordinating corresponding activities by countries, it is logical that its decisions are based on direct discussions and be adopted with the equal participation of all Member States of the United Nations;

(c) A sense of ownership of UNEP activities is important, and the current system of elected representation in the UNEP Governing Council hinders the full participation of all countries by excluding countries not represented in the Governing Council from effective decision-making;

(d) Universal membership would make decision-making more participatory and more transparent. Full participation by all countries would also lead to the promotion of a grater spirit of democracy. The legitimacy of decisions of UNEP relating to its normative and catalytic role will increase, which could strengthen countries' commitment to implementation;

(e) Voting rights will enhance the sense of responsibility of each country for the decisions adopted and the obligations entered into, and will form the basis for a more responsible, active and joint participation of all countries in environmental activities on a global scale. UNEP will be able to resolve the complexities involved in improving the arrangements for voting and adoption of decisions by an enlarged forum of equal participants;

(f) Universal membership might make it necessary to explore other measures for the purpose of improving the efficiency and effectiveness of decision making. This could be achieved by combining the introduction of universal membership with the creation of an executive board that could function as a programmatic decision-making body meeting on a more regular basis than the Governing Council/Global Ministerial Environment Forum. Consideration should be given to ensuring

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geographical representation on such a board and to its relation with the Committee of Permanent Representatives in Nairobi.

21. Some Governments were against universal membership of the Governing Council/Global Ministerial Environment Forum. Their views may be summarized as follows:

(a) Subsidiary bodies of the General Assembly are normally governed either by an Executive Board or an Executive Committee with a limited number of Member States, and very few subsidiary bodies of the General Assembly have universal membership. The limited membership of the UNEP Governing Council/Global Ministerial Environment Forum is therefore in accordance with the rules and practice of subsidiary bodies and programmes of the United Nations General Assembly. The lack of universal membership does not prevent entities from carrying out their important work. By creating universal membership, UNEP would be breaking away from established practice in the United Nations system. Giving UNEP universal membership would imply that universal membership should be adopted across the United Nations system;

(b) The proposition that the lack of universal membership reduces UNEP legitimacy and support implies that the decisions of all United Nations bodies of limited membership are illegitimate or lacking support, which is not correct;

(c) Universal membership of UNEP would likely to lead to significantly higher administrative costs to the organization at the expense of its environmental mandate;

(d) In practice, the limited membership of the UNEP Governing Council has very little effect as it takes almost every decision by consensus without having to come to a vote. There seems to be no Governing Council decision that has disadvantaged or ignored the views of a country because it lacked the right to cast a formal vote. Decisions taken by the Governing Council are already extremely open in their nature and fully transparent to both Governments and non-governmental organizations alike;

(e) The current system of membership is working adequately and there is no need to change it. The current composition of the UNEP Governing Council reflects an equitable geographical representation as well as adequate balance between developed and developing countries. Introducing universal membership would make operation of the organization difficult, and its efficient administration impossible. Universal membership would allow all member States to participate in the decision-making process, which would result in divergent opinions and consequently make the coordinated management of the Governing Council difficult;

(f) History shows that universal participation, not universal membership, is important for the functioning of UNEP. All countries, members and non-members alike, benefit from universal participation and have a voice at UNEP Governing Council sessions. The establishment of the Global Ministerial Environment Forum further enhanced the political profile and participatory nature of the Governing Council and provided additional opportunities for inclusive multilateral dialogue. All countries' ministers are encouraged to participate actively at the Governing Council/Global Ministerial Environment Forum and many do so. Countries with an interest in UNEP activities are given a voice and a role through universal participation. All United Nations Member States are entitled to participate in the debate of the UNEP Governing Council. All United Nations Member States have the right to vote on the outcomes of the UNEP Governing Council sessions at the sessions of the United Nations General Assembly.

IV. Strengthening the scientific base of UNEP

22. The Governing Council/Global Ministerial Environment Forum, in decision SS.VIII/1 II, noted with appreciation the consultative processes undertaken by the Executive Director to strengthen the scientific base of UNEP pursuant to decision 22/1 I A, especially the broad and regionally balanced participation in the intergovernmental and multi-stakeholder consultation he had promoted, and the efforts he had made to ensure the legitimacy and relevance of processes related to environmental assessment and monitoring. The Council/Forum noted the report of the Executive Director on the synthesis of responses on strengthening the scientific base of UNEP and took note of the conclusions and recommendations contained in the report of the intergovernmental consultation on strengthening the scientific base of UNEP⁵. The Council/Forum requested the Executive Director to evaluate the conclusions and recommendations contained in the report of the intergovernmental consultation and to

⁵ UNEP/GCSS.VIII/5/Add.4, annex I.

prepare a report to the Governing Council for consideration at its twenty-third session, and decided to review the implementation of the conclusions and recommendations contained in the report of the intergovernmental consultation at its twenty-third session. In the same decision, the Council/Forum invited developed countries and developing countries in a position to do so and other partners active in the field of development to consider providing additional funding for implementing the conclusions and recommendations contained in the report of the intergovernmental consultation on strengthening the scientific base of the United Nations Environment Programme, in particular those related to participation by and capacity-building in developing countries and countries with economies in transition, as well as those pertaining to support for sub-global assessments in such countries.

23. The report of the Executive Director requested in decision SS/VIII II will be found in document UNEP/GC.23/3, and additional information is provided in the information document UNEP/GC.23/INF/18. These documents outline the Executive Director's proposal to develop a new conceptual approach, tentatively called Environment Watch, to keep under review the world environmental situation. The intergovernmental consultation also drew attention to the critical issue of environmental data for assessment, early warning and indicator development. Information document UNEP/GC.23/INF/15 describes the cooperation between UNEP and the United Nations Statistics Division in this area, which also supports the proposed Environment Watch framework. Document UNEP/GC.23/3 also includes suggested action for the design, development and implementation of the new framework in consultation with Governments and other relevant stakeholders.

V. Strengthening the financing of UNEP

A. Implementation of the voluntary indicative scale of contributions

24. The Governing Council/Global Ministerial Environment Forum emphasized in its decision SS.VII/1 that all Member States of the United Nations should contribute financially to UNEP, and approved the application of a voluntary indicative scale of contributions. The Executive Director was requested to notify all Member States of the proposed scale and all countries were urged to inform UNEP whether or not they would use the proposed scale or choose another basis for their contributions.

B. Indicative scale in 2003: Pilot phase.

25. In September 2002, in the light of decision SS.VII/1 and the Johannesburg Plan of Implementation, which called for the full implementation of that decision, the Executive Director of UNEP sent a letter to the Governments of all United Nations Member States inviting them to join the pilot phase of the voluntary indicative scale of contributions in 2003.

26. The methodology used for developing the scale was based on the following main considerations:

- (a) Maintaining the voluntary character of contributions to the Environment Fund;
- (b) Increasing the level of annual contributions to \$60 million, an amount equal to half of the Environment Fund budget approved by the Governing Council for the 2002–2003 biennium;
- (c) Broadening the donor base and inviting all United Nations Member States to consider making regular and adequate contributions to the Environment Fund;
- (d) Maintaining the level of high and adequate contributions by the main donor countries;
- (e) Inviting the main donor countries, which at that time had been paying below the United Nations scale and their previous high levels, to increase their contributions gradually.

27. The main result achieved during the pilot phase was a significant widening of the base for voluntary contributions. One-hundred-twenty-six countries pledged and paid their contributions, an increase of approximately 70 per cent above the average number of 74 countries contributing annually to the Environment Fund during the previous years.

28. Another important result achieved during the pilot phase was an increase in payments by countries to the Environment Fund. The donor countries pledged and contributed a total of \$52.69 million. An increase of more than 9 per cent resulted from higher pledges and payments made by more than 70 Governments compared to contributions (counted in United States) dollars a year before. More than 50 countries increased budget allocations for contributions to UNEP, with 36 of them making their

first pledges or resuming payments to the Environment Fund. An increase in the United States dollar amount of contributions from another 20 or so countries was the result of a more favourable exchange rate.

C. Indicative scale in 2004–2005

29. Following decision SS.VII/1 and taking into account feedback from Governments during the pilot phase, UNEP developed a new indicative scale of contributions for the current biennium 2004-2005. The new scale envisioned an increased level of annual contributions to \$65 million, which was equal to half of the Environment Fund budget approved by the Governing Council for the 2004-2005 biennium. By 1 December 2004, 97 countries had already pledged and paid their contributions, and it is expected that the total pledge for 2004 from a total of 120 to 130 countries will increase by about nine percent, up to \$57.36 million. For additional information, please see document UNEP/GC.23/INF/12.

30. The General Assembly, at its 59th session, welcomed the progress made in implementing section III.B of decision SS.VII/1 on strengthening the role and financial situation of the United Nations Environment Programme, including the significant broadening of the donor base and increase in total contributions to the Environment Fund.

D. More efficient and effective use of available resources, including the possibility of utilizing external management review mechanisms, taking into account the recommendations of prior management reviews of UNEP

31. Decision SS.VII/1 mentions the “possibility of utilizing external management review mechanisms” as part of efforts to ensure “more efficient and effective use of available resources in order to address the overall financial situation of UNEP.” The secretariat has responded to that call by using reviews carried out through various mechanisms, including:

- (a) External experts commissioned by the UNEP Evaluation and Oversight Unit;
- (b) The Office of Internal Oversight Services, set up by the General Assembly for the specific task of evaluating the management structures and practices of the United Nations Secretariat and United Nations agencies, funds and programmes;
- (c) The Joint Inspection Unit, a longstanding statutory body set up by and reporting to the General Assembly and the governing bodies of United Nations agencies, funds and programmes;
- (d) The external auditors of the United Nations.

32. For additional information, please see UNEP/GC/INF/12.

E. Greater mobilization of resources from the private sector and other major groups in accordance with applicable United Nations rules and procedures

33. UNEP continued mobilizing additional contributions from various non-governmental sources, including non-earmarked payments to the Environment Fund and earmarked contributions in support of priority UNEP project and programme activities.

34. It appears that a majority of non-governmental partners were not in favour of making non-earmarked contributions to the Environment Fund, as they consider it primarily a responsibility of the Governments of the United Nations Member States. The same approach was confirmed by the Governments in the resource mobilization strategy of UNEP considered at the twenty-first session of the Governing Council in 2001. The strategy document stated that “as UNEP was an intergovernmental organization, the bulk of its funding must comprise contributions from Governments.”

35. In 2002–2003, the main effort in fundraising from the private sector and other major groups was to stimulate co-financing of priority projects, leaving the main role in funding to donor Governments. Earmarked pledges and contributions were generated from the United Nations Foundation through the mechanism of the United Nations Fund for International Partnerships (UNFIP). In 2002–2003, expenditures on UNEP programme activities funded through UNFIP were approximately \$12.3 million. In 2004, the allocations received by UNEP from UNFIP exceeded \$8.5 million. Additional earmarked contributions were generated from various national and international private sector companies and other major groups. In 2002–2003, more than 110 of these donors paid more than \$2 million. In 2004, UNEP

received an additional \$1.3 million from 116 private sector companies, and many businesses made in-kind contributions in support of UNEP priority initiatives.

VI. Issues concerning multilateral environmental agreements

36. As requested by the Governing Council/Global Ministerial Environment Forum in its decision SS.VIII/1 V, the Executive Director has continued to promote the implementation of the recommendations of the Governing Council/Global Ministerial Environment Forum with respect to coordination among and effectiveness of multilateral environmental agreements, pursuant to its decision SS.VII/1, taking into account the autonomous decision-making authority of the conferences of the parties to those agreements. A wide range of activities undertaken by the UNEP secretariat relating to this matter are discussed in document UNEP/GC.23/3/Add.4.

VII. Environmental Management Group

37. The Environmental Management Group was established by the Secretary-General of the United Nations in accordance with General Assembly resolution 53/242 of 28 July 1999 in order to enhance United Nations system-wide inter-agency coordination in the field of environment and human settlements. UNEP serves as the secretariat of the Environmental Management Group.

38. The Governing Council/Global Ministerial Environment Forum, in its decision SS.VIII/1 VI, requested the Executive Director to present a report on enhanced coordination across the United Nations system, including the Environmental Management Group, at its twenty-third session, and requested that the report include a comprehensive assessment of the location of the secretariat of the Environmental Management Group, taking into account, among other things, existing efforts to strengthen the United Nations Office at Nairobi, headquarters of the United Nations Environment Programme and the United Nations Human Settlements Programme, as well as the mandate and membership of the Environmental Management Group.

39. The activities undertaken under the auspices of the Environmental Management Group to enhance coordination across the United Nations system as well as its planned activities for the near future are discussed in a separate report on the work of the Environmental Management Group (UNEP/GC.23/7).

40. Regarding the location of the secretariat of the Environmental Management Group, the Executive Director conducted a comprehensive assessment with the assistance of an independent consultant expert in institutional arrangements.

41. The assessment, in the form of a study of the Environmental Management Group, started on 8 November 2004, and a report on its results was finalized on 6 December 2004. The study was conducted using a participatory approach. The following main approaches were used for collecting and analyzing information:

(a) All relevant documents, outputs and reports such as decisions, resolutions and other documents pertaining to the establishment of the Environmental Management Group and the secretariat, the Environmental Management Group's program of work for the biennium 2003–2004 and proposed medium- and long-term programmes under preparation were reviewed;

(b) Extensive discussions were held with the staff of the secretariat of the Environmental Management Group;

(c) Discussions were held with staff at UNEP and UN-Habitat directly involved in the work of the Environmental Management Group;

(d) Telephonic discussions were held with several officials of the member agencies of the Environmental Management Group. Forty-nine persons working in the member agencies of the Environmental Management Group in Nairobi, Geneva, Vienna, Paris, Washington and Montreal were interviewed. Some gave their opinions by email;

(e) Discussions were held with the permanent representatives and deputy permanent representatives to UNEP of five permanent missions in Nairobi.

42. The study, having examined the mandate and various aspects of the Environmental Management Group, highlighted a number of key issues. The Environmental Management Group, in line with General Assembly resolution 53/242, is a United Nations system-wide mechanism for enhancing

coordination in the field of the environment. The study suggested, therefore, that it should address interests and issues of common concern to all of its member agencies.

43. A large number of the member agencies of the Environmental Management Group (mainly in Europe) have pointed out proximity for interaction as a point to be considered.

44. It was also suggested that the Environmental Management Group should be provided with resources commensurate with its United Nations system -wide responsibilities. Regular budgetary resources are being sought.

45. Among the issues highlighted in the study is that of the location of the secretariat of the Environmental Management Group, which is discussed in the following excerpt from the STUDY report:

“The EMG Secretariat is located in Geneva and has two professionals - one at D1 level, the head of the Secretariat, and one at P3 level and one Secretary at G-4 level. The Head of the Secretariat was recruited in June 2003. What are the factors for locating a Secretariat of an institution? Every one would admit that it should be located at a place that maximizes its ability to fulfill its mandate and functions and achieve its objectives. It also depends on its character. Is it to serve the interests of one organization or many? Who and where are its “clients”? How frequently does it have to interact face to face with its clients?

“There is no doubt that Nairobi is a good location with all the facilities necessary for any UN office. In recent years tremendous progress has been made to improve the communication facilities from Nairobi. The author of this report headed, for more than 9 years the Ozone Secretariat, the Secretariat of the Montreal protocol located in Nairobi and the Secretariat found no difficulty in discharging its duties. However it has to be emphasized that the clients of the Ozone Secretariat were primarily all the governments in the world and any place, with reasonable facilities, would be equi -distant from all the governments of the world. Hence Nairobi was as good a location as any other.

“Branches of UNEP deal with other agencies and their main clients are the countries, which are spread throughout the world. The countries, as the Montreal Protocol Secretariat located in Nairobi illustrates, can be dealt with from Nairobi as well as from any other place. If, however, the UNEP has a branch that deals with only some countries of a region (regional conventions, regional offices of UNEP for example), the rational course is to locate it in that region. The case of the EMG Secretariat is similar. The clients of the EMG secretariat, the UN system Agencies are 108 in the last count. 27 are located in Geneva, 24 in New York, 3 in Nairobi and the rest in about 25 other cities. Continent wise, Africa has 5, Asia 4, Europe 62, Latin America 4, and North America 33. From the point of view of nearness to the clients, New York and Geneva score over Nairobi for the location of the EMG Secretariat. The Secretariat should be located at a place where they can interact frequently with member Agencies of EMG.

“It has to be noted that location of the Secretariat in a place, Geneva or Nairobi, does not mean that all the meetings connected with the EMG have to be held in Nairobi. The Ozone Secretariat held most of the meetings of the Parties and its working groups outside Nairobi, in deference to the wishes of the members of the Montreal Protocol. The EMG too will be compelled to hold many meetings outside Nairobi to suit the convenience and budgets of its members.

“The annual budget of the Secretariat for 2004 is 464,000 dollars. Bulk of the cost is for the salaries of the staff, around \$ 320,000. The comparative annual standard salary costs (which takes into account all commitments) of the two professionals and one secretary at Nairobi and Geneva, obtained from UNON, are as follows
(In thousands of US dollars)

	Nairobi	Geneva	Annual difference
D1 Professional	229.3	245.4	16.1
P-3 Professional	130.7	147.3	16.6

Secretary	14.9	65.6	50.7
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The total annual difference is about \$ 83,400.

“Some of the remaining costs, such as meeting expenses, consultancies etc are common wherever the Secretariat is located. If the Secretariat is located in Nairobi and meetings are held in Nairobi, other agencies will have to spend considerably more than for the Geneva location to travel to Nairobi and many of them frankly said that they do not have the budget provision for this and many may skip the meetings or send their local Nairobi officers. So, if the meetings are to be held fruitfully, they have to generally be held elsewhere. The EMG Secretariat in Geneva has travel budget of 45,000 \$ for 2004. If the EMG Secretariat is located in Nairobi and has to travel elsewhere in Europe or North America to attend EMG or the IMG meetings or to contact the Agencies personally, this budget would go up significantly. Each travel by a Secretariat staff may cost \$2000-4000 more. Thus the cost savings are likely to be insignificant if the Secretariat is located in Nairobi.

“Views and perceptions of other agencies

“As mentioned previously, there is an apprehension among the EMG members that the EMG may serve only UNEP purposes. It is important to remove this impression, if EMG were to function well. Moving the Secretariat to Nairobi would only reinforce the impression. All the member Agencies interviewed are in favour of continuing the Secretariat in Geneva. The example of Scientific and Technology Panel of the GEF, which serves all the implementing agencies of GEF, UNEP, UNDP, and the World Bank, illustrates this. The UNEP was managing the STAP Secretariat and located it in Nairobi. But it was shifted to Washington because of strong demand by the other agencies.

“Therefore, there is nothing to be criticized about the location in Geneva of the EMG Secretariat and, from many aspects, it is advantageous to continue the location in Geneva.”
