Many have called for strengthening governance of the global commons by transforming the United Nations Environment Programme (UNEP), mandated to serve as the authority on the environment, into a more powerful global environmental organization. It is imperative, however, to begin any reform initiative with a sound overview of progress to date and the reasons behind it. This chapter assesses UNEP’s performance in three core functions: monitoring, assessing and reporting on the global environment; setting an agenda for action and managing standards, policies and guidelines; and developing institutional capacity to address existing and emerging problems.

UNEP, despite a clear mandate to serve as the anchor institution for the global environment, has had only partial success. It has been fairly effective in monitoring and assessment and in launching environmental agreements. It has also served as the forum for environment ministries from around the world and helped build their institutional capacity. But it has fallen short in managing coherent and coordinated policy processes. It has failed to establish itself as the institutional home for the many international environmental conventions. Without a centre of gravity, international environmental governance has grown more complex and fragmented.

Contrary to popular belief, UNEP was not deliberately set up as a weak and ineffective institution; it was expected to grow into its mandate as it proved its effectiveness. Four structural choices, while considered appropriate at the time of UNEP’s creation, have inhibited its performance and growth. First, UNEP’s authority was severely constrained by its classification as a United Nations (UN) programme rather than a specialized agency. Second, its governance structure led to more attention to the needs and demands of member states than to its mission. Third, its financial structure enabled countries to pursue self-interests rather than
the common good. Fourth, its physical distance from the centres of political activity limited its ability to coordinate environmental agencies and, most important, to attract top-tier policy staff.

There is a need for a much stronger voice and conscience for the global environment. UNEP offers a potentially strong comparative advantage in environmental monitoring, assessment and information sharing. And it is the natural forum for the creation of a coherent international system. UNEP could also lay the foundation for a policy forum where various clusters of agencies and networks convene to negotiate and exchange experience. Its leadership in the Environmental Management Group could give it the policy space for such an initiative.

UNEP has undertaken many projects to support national environmental efforts and has developed an understanding of key needs. A more strategic, priority-driven and long-term capacity development approach drawing on UNEP’s work as an information clearinghouse and a policy forum, rather than an operational agency, could facilitate implementation of key agreements.

This chapter makes recommendations to UNEP, national governments and the International Task Force on Global Public Goods.

- **Initiate a strategic review of UNEP.** UNEP should compare its actual performance to expected results, verify key constraints and opportunities and identify ways to measure impact. An independent review would help collate reports on the status of reform efforts, set short- and long-term goals and establish time frames to complete reforms.

- **Consolidate financial accounting and reporting.** UNEP should indicate expenditures in terms of mandated functions or by environmental issue. Through more coherent financial reporting, it could build and maintain the confidence of its donors.

- **Restructure organizational governance.** UNEP should set priorities for global environmental needs and make its internal management more effective. An inclusive structure like the Global Ministerial Environment Forum and a smaller, more efficient executive board should be created for these separate functions.

- **Create an information clearinghouse.** Governments should submit comparable data to a comprehensive and consolidated information source on all environmental issues, trends and risks around the globe—building on UNEP’s comparative advantage in environmental monitoring, assessment and information sharing.

- **Create a capacity clearinghouse.** Governments should track and plan technical assistance activities, match the supply and de-
mand of services and highlight best practices on a wide range of projects. A capacity clearinghouse should be established drawing on the strengths of operational agencies (such as the United Nations Development Programme and the World Bank) and normative agencies (such as UNEP) as well as on the expertise and resources of the Global Environment Facility (GEF).

*Cluster institutions.* Governments should combine the efforts of agencies according to their comparative advantage. One approach would be to have an agency take the initiative in a certain issue area and form clusters around it—say, biodiversity, climate change, fisheries, desertification and other existing and emerging issues. The Environmental Management Group could be a useful platform.

*Initiate an assessment of global environmental governance.* The International Task Force on Global Public Goods should help clarify the environmental mandates of existing organizations, elaborate a substantive vision for global environmental governance and outline ways to address priority issues. It could provide a replicable template for similar assessments of other global public goods and lay a solid foundation for UN reform.

While the number of institutions, policies and programmes charged with the stewardship of the global commons has risen dramatically over the last 30 years, the state of the global environment continues to show negative trends and increasing risks (Speth 2004). As a result many have called for strengthening the global environmental governance system and, in turn, transforming the UNEP into a more powerful global environmental organization. The proposal by the French and German governments for a United Nations Environment Organisation (UNEO), for example, is gaining increasing attention and is emerging as a serious political option.

Institutional reform must ultimately be rooted in an understanding of where and why the global environmental governance system has succeeded, where and why it has failed and what the leverage points are to encourage better effectiveness, efficiency and equity. The story of UNEP holds valuable lessons for any reform initiative. UNEP was established in 1972 in response to a common understanding that “the work in the field of environment needed a common outlook and direction” and that it was necessary to create “a central co-ordinating mechanism in the United Nations to provide political and conceptual
leadership to contemplate methods of avoiding or reducing global environmental risks, of working out joint norms and of avoiding or settling conflicts between states on environmental matters. Such a mechanism should be given enough authority and resources to ensure effective co-ordination of ongoing and planned activities” (Rydbeck 1972, p. 3).

UNEP was thus created as the core, or anchor institution, of the global environment to gather and transmit information, catalyse action and coordinate activities within the UN system. Anchor institutions are the primary, though not the only, international organizations in a global issue area. They typically perform three main functions: monitoring, assessing and reporting on the issue in their purview; setting an agenda for action and managing the process of setting standards, policies and guidelines; and developing institutional capacity to address existing and emerging problems. They define the problems, develop new policy ideas and programmes, manage crises and set priorities for shared activities that would not exist otherwise.

Contemporary reform initiatives for environmental governance fall into two categories: those that take UNEP as a departure point for systemwide reform, such as the UNEO initiative, and those that advance a radical system overhaul, such as the proposed World Environment Organization, Global Environment Organization and Global Environmental Mechanism (GEM). While the institutional landscape is indeed cluttered and fragmented, it is imperative to begin any reform initiative with a sound overview of progress to date and the reasons behind it.

This chapter assesses UNEP’s performance and identifies key factors shaping its performance. Analyses of UNEP offer a wide range of opinions on its reputation and effectiveness, yet few statements are grounded in systematic evidence. UNEP is considered by some as “one of the most impressive UN organizations in terms of its actual achievements” (Najam 2001), “generally well regarded” (Imber 1993, cited in Najam 2003), “relatively effective” (Conca 1995, cited in Najam 2003) and “given its mandate, its resources and its authority … a remarkable success” (von Moltke 1996). It is also characterized as “relatively obsolete, eclipsed in resources and prestige … underfunded, overloaded and remote” (Haas 2004) and a “peanut-sized” (Speth 2002) “weak agency” (von Moltke 1996) with “wasted scarce resources [and] a credibility gap” (UN 1997). However, lacking a systematic evaluation, recommendations for reform have often been derived from narrow perspectives and subjective opinions.

This chapter presents an evaluation of UNEP’s performance in the three core functions of an anchor institution: monitoring and assess-
ment, agenda setting and policy processes and capacity development. It identifies structural factors that have limited UNEP’s performance and must be seriously considered by the architects of the environmental governance system for the twenty-first century. Products of early historical decisions, including the formal status, governance, financing structure and location, have all influenced UNEP’s ability to fulfil its mandate. In addition, its organizational structure has limited effectiveness. This chapter also outlines institutional options and advances a set of concrete recommendations for UNEP, national governments and the International Task Force on Global Public Goods.

**Methods**

This chapter does not cover the strengths and weaknesses of UNEP in the performance of all of its mandated functions. Nor does it assess the effectiveness of UNEP in specific programmes and projects. Instead it assesses UNEP’s existing role and future potential as an anchor institution for the global environment. The methodology centres on a twofold approach: empirical analysis, including original surveys, research and interviews, and desk review, including examination of both primary and secondary literature.

Two original online surveys, one on UNEP’s performance in its information and assessment functions and one on internal operations, were developed and carried out in December 2004. The performance survey aimed to highlight UNEP’s challenges and successes that may not be obvious through research of published literature alone. It was distributed to 85 environment ministers and 65 staff at non-governmental organizations, international organizations and *Global Environmental Outlook* collaborating centres, generating an 18% response rate. The internal operations survey aimed to obtain information on the staff of the organization, how staff are affected by the internal functioning of the organization and implications for UNEP’s performance. The survey was distributed to all UNEP professional staff, generating a 38% response rate from the headquarters in Nairobi.

More than 100 interviews—conducted in person, by telephone or by email—targeted current and former UNEP staff; international environmental policy experts from academia, government, non-governmental organizations and international organizations; and political advisers and independent consultants. All interviewees will remain anonymous.

This original work was undertaken as part of a graduate class at the School of Forestry and Environmental Studies at Yale University in
the fall of 2004, developed and co-taught by the author. Student teams worked for three months in 2004 on the four key functions in UNEP’s mandate: monitoring, assessment and information provision; coordination of the environmental activities in the UN system; capacity building and technical support; and catalysing environmental action. Three additional teams analysed UNEP’s governance, financing and human resources. The recommendations advanced in this chapter are based on the analysis of the class, numerous interviews and feedback from participants at Yale presentations. However this chapter reflects the opinions of the author.

**Monitoring and assessment**

UNEP was established to “keep under review the world environmental situation” and “promote the contribution of the relevant international scientific and other professional communities to the acquisition, assessment and exchange of environmental knowledge and information” (UN 1972a). In the area of monitoring and surveillance UNEP is expected to “provide policy advice, early warning information on environmental threats, and to catalyse and promote international cooperation and action, based on the best scientific and technical capabilities available” (UNEP 1997b). UNEP does not perform any direct monitoring and surveillance of its own. Rather, it collects, collates, analyses and integrates data from UN agencies and other organizations—including convention secretariats, universities, science institutes and non-governmental organizations—to form broader environmental assessments.7

**UNEP’s global environment assessment authority**

UNEP is considered relatively effective in its assessment of global environmental issues (Haas 2004). Its flagship environmental assessment publication, the *Global Environmental Outlook* (*GEO*), has been recognized as “one of the two most respected environmental outlook publications currently available” (UNEP 2005f, p. 11). The *GEO* process has become an important model to develop and improve the scientific credibility, political relevance and legitimacy of UNEP’s assessment function (UNEP 2005f, p. 12). The *GEO* uses an approach based on collaborating centres, involving universities, research centres, international institutes and non-governmental organizations in 30 countries
representing regions around the world. It also employs a periodic review process through an online user survey soliciting external feedback and an informal, self-reflective internal review.

This “comprehensive global state of the environment report” (UNEP/GRID-Arendal 2005) has been widely cited as useful for identifying major emerging environmental issues and for placing national issues in a broader perspective, raising the awareness of policy-makers, scientists and the general public on the large-scale processes and trends regarding the global environment. The most important contribution of the GEO process has been in influencing policy formulation, catalysing action and developing institutional capacity. Regional governmental forums and national governments have adopted GEO methodology for the production and improvement of their State of the Environment reporting. In countries where no such reporting was carried out (Barbados, Cameroon, Congo, Costa Rica, Cuba, Gabon, Ghana, Peru and Senegal, among others) the GEO process has catalysed national State of the Environment reports. Several collaborating centres reported that participation in the GEO process has improved the quality of products and services offered, increased satisfaction among centre stakeholders and enhanced their credibility and reputation. In some centres it has also helped to develop new skills and knowledge for staff members and to attract additional staff.

One of the GEO’s key limitations is the lack of comparative data across countries. While the report provides comprehensive information by issue and geographic area, it does not show the comparative performances of countries around the world in addressing environmental challenges. The data, therefore, are not used to their full capacity for informing policy decisions. Recent efforts at developing environmental sustainability indicators illustrate the power of comparison across jurisdictions. For example, the Environmental Sustainability Index, developed by the Yale Center for Environmental Law and Policy and the Center for International Earth Science Information Network at Columbia University, benchmarks the ability of nations to protect the environment. With 76 data sets compiled into 21 indicators, the Environmental Sustainability Index ranks 146 countries in environmental performance, allowing comparison across a range of issues.

Measuring environmental quality in absolute terms is arguably impossible. But relative measures are achievable. National governments find it useful to compare their performance with that of others that are similarly situated. Identifying leaders and laggards pressures underper-
forming countries to improve results. No country scores very high or very low on all indicators. Therefore “every society has something to learn from benchmarking its environmental performance against relevant peer countries” (Esty and others 2005, p. 2).

**Strategic challenges and improvements**

UNEP is the natural forum for creating a coherent international system for environmental information and assessment. It offers the advantage of building on an existing institution with a clear mandate to serve as an information clearinghouse and with a relatively strong scientific track record. While the GEO process and outputs are notable, a number of strategic challenges remain. And improvements are necessary to enhance UNEP’s monitoring and surveillance.

Fragmentation and the resulting duplication among UNEP’s various monitoring and assessment activities have prevented it from becoming the anchor institution for the environment. Information and scientific assessment is spread across its eight divisions. Collecting, processing and disseminating information are further allocated to a number of other UNEP-operated global scientific data centres. This problem is compounded at the international level where environmental assessments are duplicated by other UN agencies and non-governmental organizations. Stakeholders recognize this as a serious problem (UNEP 2005f, p. 10), yet there is little discussion about the failure to effectively coordinate activities or to formulate concrete strategies to overcome existing constraints. Collaboration and coordination do not just happen. They must be encouraged, facilitated and sustained. A fundamentally different system of incentives for international organizations and governments is required, where long-term vision and strategy are rewarded over narrowly focused projects with immediate outputs.

UNEP should focus on improving the quality of incoming and outgoing information. Inconsistent use of quality assurance and quality control protocols in information and data management lead to unreliable output and relevance (UNEP 2004a, p. 13). Missing data limit UNEP’s ability to compile complete international environmental assessments, draw conclusions and make scientifically based policy recommendations, sometimes compromising the credibility of its work (UNEP 2004a, p. 23). In the GEO process these problems are largely due to the lack of sufficient capacity and resource constraints. Methodological issues related to data management and analysis, indicator
development and integrated policy analysis have also further hampered information quality. Addressing many of today’s pressing environmental issues requires integrating socio-economic factors with more traditional environmental science data, thus creating a demand for a more comprehensive approach and extensive institutional capacity in both the contributing and receiving organizations.

While UNEP has made significant improvements in providing information about its work to the public, significant institutional investment is required to enhance this core function. An online bookstore—www.earthprint.com—was established in 1999 as a central location for authoritative environmental publications by UNEP and other international organizations. In 2005 it contained close to 3,500 publications on 30 topics. Despite Web site visits of about 35,000 on average per month, only a mere 1,137 customers made purchases during the first six months of 2005 (UNEP 2005b, p. 1). The GEO portal—www.unep.net—offers a wide array of environmental data free of charge. UNEP has the potential to become a coherent information clearinghouse highlighting best practices and promoting information sharing among countries, but its current capacity needs to be boosted.

Throughout all levels of monitoring and surveillance, UNEP needs to increase its capacities in expertise, resources and flexibility in order to effectively perform a collaborative and coordinated assessment process. The capacity for collecting and analysing comparative data must be significantly improved. Most importantly, UNEP must attract the most qualified experts in key environmental issues—water, air, climate, biodiversity, forestry and desertification—as well as a number of policy staff to explicitly strengthen the links between environmental trends and policy options. For example, the GEO team at headquarters comprises only three professional staff whose expertise cannot cover the full range of issues. A team of highly qualified technical experts is also urgently needed to develop, design and maintain the data portals and Web sites. Attracting staff and investing in programme activities will require at least doubling the Division of Early Warning and Assessment’s annual budget of $16 million.\textsuperscript{11} Currently, with 76\% of the funds spent on staff salaries,\textsuperscript{12} little is left for programmes.

When UNEP’s work becomes the standard for quality, relevance, timeliness and accessibility, the organization will begin to serve as the anchor institution for the global commons. This, however, will require targeted and stable investment from both UNEP and governments.
Another critical function of an anchor institution includes setting agendas and managing policy processes to address critical issues and to gain agreement on standards, policies and guidelines. UNEP was designed as an advocacy organization at the international level. It was expected to be proactive and set the global agenda by identifying emerging concerns and galvanizing action by governments, international organizations, non-governmental organizations and businesses. UNEP’s mandate calls on the secretariat “[t]o submit to the governing council, on its own initiative or upon request, proposals embodying medium-range planning for United Nations programmes in the field of the environment” (UN 1972a). Setting goals and priorities has, however, been problematic for UNEP.

UNEP’s anchor role also demands that it serve as the centre of gravity in a complex system of international environmental governance. Resolution 2997 clearly outlines UNEP’s coordination function to “provide general policy guidance for the direction and coordination of environmental programmes within the United Nations system” (UN 1972a, p. 43) and endows the organization with specific institutional mechanisms by establishing an Environmental Coordination Board. However UNEP has not been able to fulfil its coordination mandate agreements effectively in its two key areas: coordinating multilateral environmental activities and those of other international organizations. With the increasing number of treaties and institutions responsible for their administration, coordinating overlapping efforts has emerged as an issue of paramount importance. UNEP has not succeeded in becoming the central forum for debate and deliberation regarding the environment like the World Trade Organization (WTO) for trade and the World Health Organization (WHO) for health. Moreover, in contrast to other international organizations, including the International Maritime Organisation, the International Labour Organisation and the UN Economic Commission for Europe, UNEP has not been able to provide an institutional home for the conventions that have emerged under its aegis. The resulting fragmentation of policy processes has reduced the effectiveness of global environmental governance (Bernstein and Ivanova 2005).

Some analysts have called UNEP a victim of its own success, since most multilateral environmental agreements came into existence as a result of UNEP’s catalytic role. In the last 30 years UNEP has played a
highly regarded lead role in establishing an extensive system of international environmental law (Haas 2004). It has catalysed the creation of multilateral environmental agreements, assisted developing countries in creating environmental law and developed soft-law guidelines for a wide range of sectors. Despite the successful creation of international treaties, “the flourishing of new international institutions poses problems of coordination, eroding responsibilities and resulting in duplication of work as well as increased demand upon ministries and government” (UN 1998, p. 34). Once launched the conventions became autonomous entities, each with its own conference of the parties, secretariat and subsidiary bodies which, in many cases, have influence that often exceeds that of UNEP.

UNEP has undertaken efforts for greater coherence and coordination of multilateral environmental agreements but with limited success (Andresen 2001). For example, UNEP initiated a process of harmonization of reporting requirements for the five biodiversity-related conventions (Convention on Biological Diversity, CITES, Convention on Migratory Species, the Ramsar Convention on Wetlands and the World Heritage Convention) and the two regional seas conventions with biodiversity-related protocols (Barcelona and the Cartagena Conventions). While a common Web site and a biodiversity clearinghouse mechanism have been established, there has been little substantive progress towards the practical implementation of a common reporting framework.

Coordination of the environmental activities of international organizations has also posed a significant challenge. The constant creation, abolishment and recreation of coordination mechanisms to assist UNEP in this anchor role illustrate the magnitude of the problem. The Environmental Coordination Board was established in 1972 by General Assembly Resolution 2997. In 1977 General Assembly Resolution 32/197 on the Restructuring of the Economic and Social Sectors of the United Nations merged the Environmental Coordination Board under the Administrative Committee on Coordination. Subsequently, each agency assigned a Designated Official on Environment Matters (DOEM) to coordinate environmental matters with the executive director of UNEP. In 1995 UNEP abolished the DOEM and substituted the Inter-Agency Environment Management Group. This group only met twice and was replaced by the Environmental Management Group (EMG) in 1999. The EMG has not yet lived up to its potential as a joint coordinating body within the UN system largely independent of UNEP.
Four key reasons help explain the coordination challenge. First, the explosion in the number of international organizations has overwhelmed the series of UNEP-driven coordination bodies and mechanisms, which have yielded few results. As often pointed out by UN officials, “everyone wants to coordinate, but no one wants to be coordinated.” Second, other UN bodies have refused to accept UNEP’s mandate to coordinate all environmental activities in the UN system due to “institutional seniority”. A number of UN bodies—the International Labour Organization (ILO), Food and Agriculture Organization (FAO), United Nations Educational, Scientific and Cultural Organisation (UNESCO), WHO, World Meteorological Organization (WMO), Intergovernmental Maritime Consultative Organization (IMCO), International Atomic Energy Agency (IAEA), International Civil Aviation Organization (ICAO) and United Nations Development Programme (UNDP)—possessed environmental responsibilities before UNEP was created and thus feel less of a need to defer to UNEP. Third, the fear of losing certain parts of one’s work programme, budget and staff if duplication were eliminated leads agencies to jealously guard their “sovereignty” without a view of the broader public good. Fourth, UNEP’s approach to coordination was perceived as controlling and threatening. For example, UNEP’s earliest heavy-handed attempts (mid- to late 1970s) at coordination drove the WMO to send out a memo warning others of “this upstart agency’s plans to take over everyone’s work.” This has led to strained relations and turf wars among the agencies, compromising UNEP’s role as an anchor institution with the mandate to manage broader policy processes. Subsequently, “UNEP could no more be expected to ‘coordinate’ the systemwide activities of the UN than could a medieval monarch ‘coordinate’ his feudal barons” (Imber 1993, p. 83, cited in Najam 2003).

The existence of a clear and coherent institutional vision has enabled other international organizations to serve as stronger anchor institutions in their fields. The WHO, for example, has been able to reject funds that do not advance its long-term strategic vision and instead focus government contributions on a set of key priorities. UNEP’s attempts to cover a vast number of priorities, often under pressure from governments, and its risk-averse attitude have prevented it from establishing a solid brand name that would give it the freedom to act as a leader by setting the global environmental agenda and taking action to attain it. Without a long-term strategy for accomplishing goals, it is difficult to raise the necessary funds. As the Office for Internal and Oversight Services ob-
served in 1997, a vicious circle of limited funds and limited effectiveness had deterred UNEP from enlarging its visionary capacity and raising the necessary resources throughout much of its existence.\(^\text{14}\)

Although considerable improvements have been initiated in the last few years, a sense of prioritization is still lacking.\(^\text{15}\) UNEP’s planning process is in many ways driven by the influence of individual states asserting their own priorities. The organization’s dependence on voluntary contributions creates governance challenges, particularly with respect to the establishment of priorities, allocation of resources and execution of programmes. The ultimate result of UNEP’s limited ability to perform the role of anchor institution in agenda setting and management of policy processes has been proliferation of institutional arrangements, meetings and agendas and “substantial overlaps, unrecognized linkages and gaps” hampering policy coherence and synergy and amplifying the negative impact of already limited resources (UNEP 2001b).

**Capacity development**

UNEP has begun to reinvent its work programmes to appeal to donors and recipients alike by re-emphasizing capacity development initiatives. Though UNEP’s mandate clearly prescribes its core strategies to be normative and catalytic, the organization now views implementation as its primary strategy.\(^\text{16}\) However, by shifting from a normative and catalytic function to an implementation and operational role, UNEP has moved from being proactive to reactive to specific country needs and circumstances. With no country presence, small staff and minimal resources, UNEP is no match for such agencies as the UNDP or the World Bank. With field offices in every country around the world, annual budgets in the billions and strong reputations, the UNDP and World Bank set the agenda both locally and globally.

UNEP cannot and should not function as a full-fledged operational agency. However a purely normative role is also insufficient and even unnecessary, as concrete results are increasingly needed. The pressures to continue moving in a more operational direction will continue to grow. There is an overall “treaty fatigue”, and governments increasingly call for concrete assistance with implementation. In particular, developing country governments now regularly demand financial and technical assistance with implementing multilateral environmental agreements rather than developing new norms or guidelines. Accomplishments on the ground
are the most evident successes, and completed projects have become the hard currency for governments. It is therefore much easier to mobilize funds for tangible products than for normative or catalytic activities. Many capacity-building projects are requested by governments, compelling UNEP to pursue the work despite its lack of human and financial capacity. Availability of funding from the GEF to the three “implementing agencies”—the World Bank, UNDP and UNEP—has also pushed UNEP towards increased operational activities. Since the late 1990s the GEF has accounted for the largest increase in UNEP income.

UNEP recognizes the challenges in finding a balance between its normative mandate and its operational demands. The High-Level Open-Ended Intergovernmental Working Group was established in March 2004 to improve UNEP’s capacity-building efforts, resulting in the adoption of the Bali Strategic Plan for Technology Support and Capacity Building (UNEP 2005a). The Bali plan aims to strengthen the capacity of governments to participate fully in the development of coherent international environmental policy; comply with international agreements; achieve environmental goals and environment-related development goals, including the Millennium Development Goals; and develop national research, monitoring and assessment capacity as well as establish infrastructure for scientific analysis and environmental management (UNEP 2005a).

The essence of the Bali plan lies in coordination. The strategic premise is that efforts should build on existing institutions and be “coordinated, linked and integrated with other sustainable development initiatives through existing coordination mechanisms” (UNEP 2005a, para 5). The Bali plan underlines the need for improved interagency coordination and cooperation based on transparent and reliable information. It does not, however, clarify the roles for the UNEP, UNDP or World Bank, which have become more like competitors than partners. UNEP’s role could be envisioned more as an environmental management clearinghouse designed to collect and disseminate information on best practices, policy successes and new technology to private and intergovernmental partners. This could include regional training and raising awareness. For some the strategy in the Bali plan marks the return of an issue-based philosophy and a shift from function-based organizational structure and priorities. For others the Bali plan is the only means to enhance UNEP’s profile. Comprehensive in its nature, it addresses many of the most important challenges facing UNEP in the core areas of its mandate—but offers few solutions.
The EMG is the coordination mechanism most suitable for capacity coordination. Created by the UN in 1999 as a systemwide mechanism, it convenes various UN agencies, convention secretariats and the Bretton Woods institutions under the chairmanship of the UNEP executive director to “promote inter-linkages, encourage timely and relevant exchange of data and information on specific issues and compatibility of different approaches to finding solutions to those common problems, contribute to the synergy and complementarity among and between activities of its members in the field of environment and human settlements” (EMG Web Site). Its main focus in 2004 was capacity building to facilitate information exchange and experiences and identify synergies among UN agencies and treaty secretariats. However high-level political commitment has been difficult to attract.

Three reasons stand out as for the lack of strong engagement in the work of the EMG. First, a number of parallel forums exist in the UN system, putting excessive demands on the time and resources of top management. Second, the EMG is still perceived as an instrument for UNEP’s control rather than a cross-cutting mechanism for mutually beneficial collaboration. Third, the severely limited capacity of the EMG (two professional staff and an annual budget of $500,000) prevents the institution from taking bold initiative and effectively coordinating activities. In its early years UNEP devoted 30% of its annual budget to the activities of other organizations and was thus able to exert influence and coordinate their environmental work. Currently more than 90% of the EMG’s $500,000 budget is devoted to staff salaries and internal operations. Thus, it is rendered virtually ineffective, although it has the institutional and structural capacity to serve as the foundation for a clearinghouse mechanism.

Coordination has been the weakest link in UNEP, and any new initiative for improvement must seriously examine prior arrangements and their effects. Through the EMG, UNEP could use its comparative advantage as a normative agency and serve as an authoritative think tank on various environmental concerns and capacity development. It could receive direct input from and reach out to international organizations, governments, non-governmental organizations, businesses and citizens. The EMG’s location in Geneva presents a significant opportunity for speedy communications with 22 international organizations headquartered in Geneva, including the WTO, ILO and WHO; treaty secretariats; numerous governments represented at the UN office in Geneva; and non-governmental organizations and businesses from around the world. Notably, Geneva has
a high concentration of developing country representatives because of the high density of international agencies.\textsuperscript{18}

In addition, UNEP holds a unique leadership advantage at the regional level. It is at this level that UNEP can be proactive in both normative and operational manners. Through its network of established regional offices, UNEP can facilitate the adoption of regional norms adapted from global agreements and serve as a matchmaker between donors and recipients in environmental capacity building.

**Limiting factors**

International organizations have transformed from pure transaction mechanisms helping countries achieve collective goals to autonomous entities shaping preferences and delivering results (Barnett and Finnemore 2004). However their legitimacy is being openly challenged. They are increasingly seen as “unelected elites [with] no sense of common peoplehood and trust” (Brooks 2005). In the absence of direct elections at the international level, legitimacy cannot be granted through traditional democratic representation. It is instead attained through expertise and the ability to generate “right answers” through a system of checks and balances or through fair and transparent rule-making that instills confidence and aids acceptance (Esty forthcoming). International organizations are therefore likely to regain their legitimacy when they begin to effectively deliver results and enact transparent, accountable and participatory rules and processes. Whether UNEP will lead as an anchor institution will depend on its ability to address several underlying dynamics limiting its authority, autonomy and effectiveness.

**Formal status**

UNEP’s status as a UN programme rather than a specialized agency has been blamed for many of its limitations. In the UN hierarchy programmes have the least independence and authority. Specialized agencies are separate, autonomous intergovernmental organizations outside the jurisdiction of the UN Secretariat and the General Assembly.\textsuperscript{19} Besides their role in elaborating common vision, rules and standards, they perform many operational activities within the sector they govern. The vision for UNEP in 1972, however, was for a new type of governing body.
Contrary to popular belief, UNEP was not established as a programme to intentionally diminish its power. Recognizing the complex nature of environmental issues, governments sought to create a lean, flexible and agile entity that could pull together and effectively deploy the relevant expertise of the various agencies. The new entity was expected to grow into its mandate as it proved its effectiveness and be “essentially flexible and evolutionary so as to permit adaptation to changing needs and circumstances” (UN 1972b). Establishing a specialized agency was deemed counterproductive because it would make the environment another “sector” and marginalize it. As Maurice Strong, secretary-general of the 1972 Stockholm Conference, put it, the core functions could “only be performed at the international level by a body which is not tied to any individual sectoral or operational responsibilities and is able to take an objective overall view of the technical and policy implications arising from a variety of multidisciplinary factors” (UN 1972b). Furthermore, there was a strong sense of disillusionment with the unwieldy bureaucracy of the specialized agencies. A new design was clearly necessary. This new body was to operate at the core of the UN system, best accomplished with the status of a programme.

While not intentionally diminishing its power, the decision to make UNEP a programme has impacted its authority. UNEP has not been able to claim the autonomy necessary to become an effective anchor institution for the global environment. As new institutions sprang up across various levels of governance and many existing ones added substantial environmental mandates, UNEP could claim little authority over them. For example, the creation of the Commission on Sustainable Development and the Global Environment Facility (GEF) in the early 1990s marginalized it politically and eclipsed it financially. The increased emphasis on environmental work at the World Bank, while commendable, has led to overlapping. UNEP has been unable to coordinate and create synergies among the multiple bodies in the environmental arena because its political power and resources were dwarfed by newer institutions. Thus, while its organizational status did not incapacitate UNEP, the effect was largely negative. As one senior UNEP official exclaimed, UNEP “just does not have a voice in front of the larger UN agencies.”

**Governance**

Ultimately UNEP’s governance structure serves two very distinct roles: an external function to advance international environmental govern-
ance by monitoring global environmental trends, setting a consensus global environmental agenda and establishing global priorities; and an internal responsibility to oversee UNEP’s programme, budget and operations. Its governance structure combines these roles, for which the governing council is responsible. This leads to overly politicized institutional governance and a work programme that reflects individual states’ interests rather than a focused, strategic vision. It also leads to insufficient leadership as the governing bodies are constrained in their vision by UNEP’s own limitations.

Three bodies share governance responsibilities for UNEP: the governing council, comprised of 58 member states; the secretariat, headed by the executive director; and the committee of permanent representatives, comprised of ambassadors to Kenya serving as permanent representatives to UNEP. More often than not these representatives have little environmental knowledge or expertise and have a number of other duties to perform. The responsibilities of the committee of permanent representatives include reviewing UNEP’s draft programme of work and budget, monitoring the implementation of governing council decisions and preparing draft decisions for consideration by the council (UNEP 1997a). The committee of permanent representatives considerably limits the autonomy and power of the secretariat in Nairobi either through direct intervention in UNEP’s work (meeting four times a year to discuss the work programme and budget) or through influence on UNEP’s staff, whose loyalties often lie with their national governments. Advancement within the ranks of national administrations often depends on a good recommendation from the ambassador at one’s duty station, creating pressure to pursue narrow national interest within the organization.

A further complication is that while the committee of permanent representatives directly influences UNEP’s work through the constant oversight of the organization’s operations, the final say on decisions regarding the work programme and budget lies with the governing council. Meeting once a year in Nairobi, the governing council is supposed to craft a visionary agenda for international environmental governance and set the parameters within which UNEP is allowed to operate—for example, its two-year budget and work programme. A national representative, often the environment minister, attends the meeting. Although a permanent representative to UNEP might have worked on a programme for months, his or her recommendations and decisions can be contested and even reversed by the national representative. Therefore, unless the committee of permanent representatives’ relationship with
the governing council is clarified, there will be little room for substantially improving UNEP’s performance.

Financing structure

UNEP’s limited financial resources are another primary reason analysts use to explain its ineffectiveness. Its annual budget of $215 million is indeed miniscule compared with the UNDP’s 2003 budget of $3.2 billion (UNDP 2004, p.26) and the Environmental Protection Agency’s (EPA’s) budget of $7.6 billion (EPA Web site). However it is larger than the WTO’s budget (see figure 5.1).

While the disparity in resources is striking, the nominal sum of the budget is a symptom. One of the root causes of UNEP’s problems may be the organization’s financial structure. Unlike most other international organizations whose budgets are based on predictable mandatory

![Figure 5.1: UNEP’s annual budget is much less than many other international organizations’ budgets](chart)

Note: All data are for 2003 except for the OECD and WTO, which are for 2004. The GEF annual budget was estimated from the $3 billion in replenishment funds in 2003 used for its work programme over a four-year period.

assessed contributions, UNEP is completely dependent on the voluntary contributions of individual states. Only a dozen countries have regularly made annual contributions to the Environment Fund—the central financial mechanism at the discretion of the secretariat—since its inception in 1973.24 UNEP’s unreliable and highly discretionary financial arrangement compromises its financial stability, its autonomy and its ability to plan beyond current budget cycles, thus creating a risk-averse attitude within the organization’s leadership. UNEP’s actual agenda is set by the priorities of donor countries, resulting in fragmented activities and unclear prioritization.

Contributions to the Environment Fund have decreased 36% in the last 10 years—also decreasing in real terms since the 1970s and 1980s. Contributions to trust and earmarked funds for specific activities, on the other hand, have increased dramatically. The proportion of restricted financing now accounts for more than two-thirds of UNEP’s revenue (see figure 5.2).

Two important aspects illustrate the political dynamics and consequences for UNEP’s performance. First, a threefold increase in overall funding since the 1980s—including trust funds, earmarked contributions and other revenues—shows recognition of the need to address

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**Figure 5.2** UNEP’s two-year revenue is increasing, but contributions to the Environment Fund are decreasing, 1973–2003

environmental concerns through an international mechanism. Second, the decline in contributions to the Environment Fund shows that confidence in UNEP has diminished. Greater direct control of the organization’s expenditures through earmarked funding demonstrates governments’ reluctance to entrust the organization with prioritizing and delivering results. For example, the United States’ dramatic withdrawal of support in the mid-1990s—after a peak in contributions around the time of the Rio Earth Summit—was a criticism of UNEP’s leadership and effectiveness.

Funding from the top five donors to UNEP—the United States (historically the top donor), Japan, Germany, the United Kingdom and Sweden—illuminates the diversification trend in financial contributions (see figure 5.3). For all countries, contributions have shifted from the Environment Fund to other earmarked mechanisms, which receive about the same amount.

Over the past few years UNEP, under Executive Director Klaus Töpfer, has made significant progress in attracting financial resources. The pilot phase of the voluntary indicative scale of contributions created in 2002 has broadened the donor base and encouraged many countries to contribute in a more targeted manner.
countries to increase their contributions. In 2003 more than 100 countries contributed to UNEP—twice as many as in the mid-1990s. A number of countries have also increased their contributions compared with the mid-1990s. Canada’s contributions to the Environment Fund, for example, increased from a record low of $662,000 in 1997 to almost $2 million in 2004. (It contributed more than $1 million during 1994–96, the tenure of Executive Director Elizabeth Dowdeswell, a Canadian national.) However Canada’s largest contribution was in 1977, when it gave $2.5 million in nominal dollars, or about $6 million in real 2000 dollars. Canada’s indicative scale of contribution for 2004–05 amounts to only $1.7 million. Though praised as a valuable financial tool, the indicative scale of contributions may be doing a disservice to the organization. Several countries are easily meeting their financial targets and have no incentive to contribute more. For example, Bulgaria paid its $6,000 voluntary assessed contribution in 2003 and 2004 but contributed more than $20,000 in 1990. Mozambique’s contribution to UNEP as recently as 1998 totalled $10,000, while the assessed contribution it is currently paying is only $600. Zambia, Zimbabwe, Egypt, Gabon, Austria, Australia, Kenya, Japan, Hungary, Switzerland, Sweden and many others face similar circumstances (UNEP 2005d).

Organizational structure

Several internal organizational issues also hamper the effectiveness of UNEP operations. An assessment conducted by the UN Office for Internal Oversight Services in 1997 (UN 1997, p. 3) identified several key areas where improvements were needed:

The functional responsibilities of various major departments are not entirely clear, and there seems to be no clear delegation of authority. The internal instruments for collective guidance are cumbersome, dilute responsibility and impede efficiency. Furthermore, there is no coherent and comprehensive presentation in the programme budget of the global involvement of UNEP in environmental matters. Oversight of implementation and assessment of results is fragmented, making it hard to develop clear and coherent policies for the allocation of resources or to ascertain that resources are being utilized efficiently.
A number of these issues have been taken up; however many problems require deeper and more systematic reform. On joining UNEP in 1998, Executive Director Klaus Töpfer reformed the organizational structure by shifting the main divisions from issue-based to functional. For example, instead of divisions on water, air, climate change or biodiversity, UNEP uses a functional chain comprising early warning and assessment, policy development and law, policy implementation and so on. This structure has resulted in many overlapping mandates and has scattered issue expertise across the organization. It has led to excessive competition among divisions—and between UNEP and other institutions—thus reducing UNEP’s comparative strengths and unnecessarily burdening its human and financial capacity. These problems are compounded both by internal and external communication and coordination difficulties and by what staff call a “mind numbing”, “stifling” and “paralysing” bureaucracy.

**Location**

The decision to base UNEP in Nairobi was neither a “strategic necessity without which developing countries might have never accepted an environmental organ to be created” (Najam 2003, p. 374), nor a way to marginalize the organization and “cannibalize” its mandate. It was not ill-intended, premeditated or the result of a secret bargain. Quite the opposite, it was the outcome of an open ballot vote at the UN General Assembly in December 1972. Solidarity among developing countries, which far outnumbered developed countries, led to the first international organization established in the developing world. The decision was openly political, seeking to affirm the role of developing countries as equal partners in multilateral affairs.

UNEP’s location has influenced the organization significantly. Its ability to effectively coordinate and catalyse action has been inhibited by its geographical isolation from other UN operations, inadequate long-distance communication and transportation infrastructure and lack of sufficient face-to-face interaction with counterparts in other agencies, treaty secretariats and key international organizations working on environment-related activities (see figure 5.4). UNEP’s headquarters are located far outside political “hot spots”, posing a challenge to its ability to fulfil the coordination role specified in its mandate.

UNEP’s offices in Paris, New York and Geneva, however, have tried to step into the liaison role. Their “proximity to other organizations and
important governments seems to make these programmes among the brighter lights of UNEP achievement” (Eastby 1984, p. 241). It is important to note, however, that this spatial analysis is focused particularly on UNEP’s coordination function, and that for other aspects of its mandate—such as capacity building—the location may present an opportunity rather than a challenge. UNEP’s expertise in institution building is greatly needed in Africa. However pressing environmental challenges demand immediate action on the ground—a mandate UNEP does not possess. A demand for greater operational responsibilities for UNEP has thus emerged from both the developing world and the organization’s staff.

The most important implication of UNEP’s location is that Nairobi is not necessarily a desirable location for staff, making it difficult to attract and retain top-notch professionals. Nairobi’s increasingly treacherous security situation worsens this problem. In addition, UNEP’s remoteness requires frequent travel and prolonged absences of the executive director and many senior staff, imposing a heavy financial burden and, most important, creating a leadership vacuum. To be effective, leadership must be present and responsive to staff needs and organizational priorities.

Figure 5.4  **Density of international organizations working on environment-related issues**

Source: Created by Emily Hicks of the Yale student team using data assembled by the Global Environmental Governance Project at Yale University.
Conclusions and recommendations

Collective action in response to global environmental challenges continues to fall short of needs and expectations. The question, therefore, is not whether to revitalize the global environmental regime, but how. The interdependence of current environmental challenges contrasts sharply with the fragmented and uncoordinated environmental institutions. We need an approach that acknowledges the diversity and dynamism of the environmental challenge and recognizes the need for specialized responses. A much stronger voice and conscience for the global environment is necessary—in short, an accountable, legitimate and effective anchor institution.

UNEP has a clear mandate to be the anchor for the global commons, but has done so with only partial success. It has been relatively effective in monitoring and scientific assessment and launching policy processes for environmental agreements. It has also often served as the only international partner of frequently marginalized environment ministries and provided a critical forum for them to meet their counterparts, helping to develop institutional capacity around the world. However, UNEP has largely fallen short in managing coherent and coordinated policy processes. It has failed to establish itself as the institutional home for the numerous international environmental conventions. Without a centre of gravity, the system of international environmental governance has grown increasingly complex and fragmented. UNEP’s inability to lead has been compounded by short-sighted budget considerations, attractive offers by countries eager to host new treaty secretariats and indifference at the highest political levels.

At the core of this dynamic, however, are four structural factors that, although considered appropriate at the time of UNEP’s creation, have inhibited its performance and growth. First, UNEP’s authority was severely limited by its status as a programme rather than a specialized agency. Second, its governance structure emphasized the needs and demands of member states over the mission of the organization. Third, its financial structure enabled countries to pursue their own interests rather than the common good. Fourth, UNEP’s physical distance from the centres of political activity hindered it from coordinating environment-related agencies and, most important, attracting top-tier policy staff.

UNEP is still the leading international environmental organization. Only UNEP’s mandate adequately reflects all the functions of an anchor institution for the global environment. In fact, current institutional
reform proposals do not substantially depart from the existing mandate. Table 5.1 lists the functions of UNEP and the proposed United Nations Environment Organization and illustrates the degree to which they fit into the anchor institution framework. The key question that needs to be answered, therefore, and to which this chapter attempts to contribute, is how well UNEP has performed these functions, and what explains its performance. Only with a clear understanding of the organization’s effectiveness and the reasons behind it can we begin to offer sensible and feasible proposals for institutional reform.

UNEP offers a potentially strong comparative advantage in environmental monitoring, scientific assessment and information sharing—

<p>| Table 5.1 How UNEP and UNEO measure up to the functions of an anchor institution |</p>
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<thead>
<tr>
<th>Anchor institution</th>
<th>UNEPa</th>
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| Monitoring and assessment | • Data collection and indicator development  
|                        | • Monitoring and verification  
|                        | • Assessment  
|                        | • Information reporting and exchange  
|                        | • Review the world environmental situation  
|                        | • Provide policy advice and early warning information on environmental threats  
|                        | • Catalyse and promote international cooperation and action  
|                        | • Monitor and provide early warning on the state of the environment  
|                        | • Provide information, facilitate communication and mobilize stakeholders  
| Agenda setting and policy processes | • Goal and priority setting  
|                        | • Rule-making and norm development  
|                        | • Coordination  
|                        | • Dispute settlement  
|                        | • Promote international cooperation and recommend policies  
|                        | • Provide advisory services for international cooperation  
|                        | • Bring up any matter that requires consideration by the governing council  
|                        | • Develop international environmental law  
|                        | • Coordinate environmental programmes within the United Nations system, reviewing implementation and assessing effectiveness  
|                        | • Provide a political platform for international legal and strategic frameworks  
|                        | • Improve coherence and coordination, including the convergence of norms, implementation of international obligations and financing  
| Capacity development | • Education and training  
|                        | •Financing  
|                        | •Technical assistance  
|                        | •Institution and network building  
|                        | • Provide policy and advisory services in key areas of institution building to governments and other institutions  
|                        | • Advance implementation of agreed international norms and policies and stimulate cooperative action  
|                        | • Build capacity in developing and transition countries  
|                        | • Strengthen regional governance  

an advantage that should be fully developed and used. However it can no longer aim to be the single authority on every environmental issue because expertise has been diffused. Instead UNEP can offer a coherent international policy forum where various clusters of agencies and networks negotiate and exchange experience. Its leadership in the Environmental Management Group can grant it the policy space for such an initiative. A more strategic, priority-driven and long-term capacity development approach drawing on UNEP’s advantages can help implement multilateral environmental agreements.

Policy options for governments and the International Task Force on Global Public Goods

Five problems beleaguer the current system for global environmental governance: incoherence, inefficiency, information inadequacy, inequity and insufficient funding (France, Ministry of Foreign Affairs 2005). Radical reform may indeed be urgently needed to address these problems, but such reform seems unlikely in the near future. Political emphasis is increasingly on working within existing institutions rather than attempting bold new designs. As Secretary-General Kofi Annan urged in his 2005 report *In Larger Freedom*, “[i]t is now high time to consider a more integrated structure for environmental standard-setting, scientific discussion and monitoring treaty compliance. This should be built on existing institutions, such as the United Nations Environment Programme, as well as the treaty bodies and specialized agencies” (UN 2005, para 212). The French and German initiative to create a United Nations Environment Organization may provide the impetus for restructuring the system. Simply upgrading UNEP into UNEO, however, will not suffice. Reform should be multifaceted and layered, focusing on the core functions of effective global environmental governance and devising appropriate institutional arrangements. In some cases this will mean building on existing frameworks—in others, developing new approaches.

Launch a comprehensive assessment of global environmental governance. Reforming global environmental governance requires a holistic assessment of the current system’s strengths and weaknesses and of UNEP’s effectiveness in fulfilling its mission as an anchor institution. An evaluation of global environmental governance will help to clarify the mandates of other organizations, as well as reveal their comparative advantages and provide a vision for reduced competition and a productive division of labour. This broad assessment should be undertaken with the
goal of producing an analytically sound and politically visionary set of recommendations on how to strengthen global environmental governance. It should elaborate a substantive vision, including identifying priority issues and ways to address them. Such an assessment does not need to wait for the approval of governments or UNEP. It can be initiated by the International Task Force on Global Public Goods.

Create a global environmental information clearinghouse. While gathering data should primarily be the function of national organizations, a central body to establish data protocols and a repository for comprehensive and comprehensible information is necessary. A common data portal with policy-relevant information and analysis will reduce information overload and improve understanding, generate political attention and motivate national action. A global commons monitoring report building on the Millennium Ecosystem Assessment could be developed on the basis of the consolidated data, providing a public account of global commons health as well as indicators for country and institutional performance in environmental sustainability. It would directly contribute to the broader global public goods monitoring report suggested by the Secretariat of the International Task Force on Global Public Goods (2005).

Scientific assessment, monitoring and early warning are UNEP’s major strengths and can provide the foundation for an effective global information clearinghouse. But UNEP’s current administrative, managerial, scientific and financial capacities need to be enhanced. This requires a coherent strategy, a clear action plan and substantial investment. It demands that UNEP expand the number of staff involved (currently about 30)—aiming for top-quality expertise—and at least double the $16-million annual budget of early warning and assessment. The newly proposed environment watch framework, which aims to create a coherent conceptual framework for UNEP’s environmental assessment activities, should be assessed carefully in this context. If the framework is feasible and shows promise, it should indeed be further developed.

Create a global environmental capacity clearinghouse. Disparate activities of the numerous multilateral and bilateral agencies have come to drain national capacity. A consolidated source of information on capacity building for environmental governance must be created, tracking and planning technical assistance activities, matching the supply and demand of services and highlighting best practices on a wide range of projects. The capacity clearinghouse will make international agencies more efficient and effective, provide reliable information on needs and capabilities to donor countries and ensure a higher quality and quantity of aid
to recipient countries. Drawing on the strengths of operational agencies (the UNDP and World Bank) and normative agencies (UNEP), as well as on the expertise and resources of the GEF, it could be linked to the proposed GPG Financing Framework (ITFGPG Secretariat 2005). The institutional home for this mechanism must be carefully chosen based on advantage, authority and legitimacy.

The EMG in Geneva is one possible host, provided that it is endowed with the necessary internal capabilities. The EMG focused on capacity building in 2004 in its interagency coordination efforts and could build further on this initiative. It could begin by establishing a comprehensive database of capacity-building needs and resources. UNEP could add significant value by systematically assessing and prioritizing country needs as well as cataloguing and evaluating resources offered by governments and international agencies. It could also provide capacity-building services in such areas as strengthening national environmental institutions.

**Cluster institutions.** Institutional clustering is based on the notion that a combined effort of agencies will produce greater results than smaller, fragmented and often competing efforts of individual organizations (El-Ashry 2004; von Moltke 2001a,c). Positive environmental results are more likely attained if duplication is reduced, synergies captured and scarce resources pooled. A clustering effort is at heart a coordination approach and requires three core capacities in the anchor institution: legitimacy through expertise, results and procedural fairness; top-quality communication and location at the centre of political activity; and a system of incentives (financial as well as reputational). In the contemporary context of institutional proliferation, it is imperative that expertise and resources are pooled together under the lead of one or two expert institutions. One approach would be to have an agency take the initiative in a certain issue area and form clusters around it.

In the first decade of its operations, UNEP did in fact serve as a lead agency in forming such clusters through thematic joint programming with other agencies. However success did not last because of the discrepancies in the budget cycles of the organizations involved, scattering of resources and remoteness of UNEP (Eastby 1984, p. 241–43). Coordination efforts within the GEF and the Joint United Nations Programme on HIV/AIDS (UNAIDS) have had better results (GEF 2005 and UNAIDS 2003). While considerable challenges remain, the GEF has performed relatively well as a “networked institution” because of the availability of funding for other agencies, top-quality staff and
communication and its close proximity to major donors. On the other hand, though UNAIDS has “well established itself as a leader and centre of knowledge … and has made significant achievements in advocacy, policy consensus … and coordination”, it has been greatly constrained by the lack of incentives for the core participating agencies to develop a genuinely integrated approach (UNAIDS 2003).

Policy options for UNEP

Though it is ultimately governments that must take the initiative to institute reforms, there are several steps that UNEP can take to enhance its role as an anchor institution, ranging from smaller scale immediate efforts such as improved financial reporting to broader initiatives such as external strategic review.

*Initiate an independent strategic review of UNEP’s role.* An independent strategic review should examine UNEP’s role and performance, assessing the history of the organization, outlining current and future needs and trends and defining scenarios for action based on its progress, constraints and opportunities. It would facilitate a transition to more accountable leadership and improved management practices. Several international organizations have been evaluated regularly. The GEF, for example, has undergone three external evaluations in 14 years. Performance studies are commissioned by the GEF Council to “assess the extent to which the GEF has achieved, or is on its way towards achieving its main objectives, as laid down in the GEF Instrument and subsequent decisions by the GEF Council and the Assembly.” For UNAIDS, the essence of its “Five-Year Evaluation” was also to determine the extent to which it was meeting expectations on issues surrounding the HIV/AIDS epidemic and on the coordination of the UN interagency collaborative response (UNAIDS 2003). UNEP’s executive director should initiate a similar strategic review by an independent commission.

*Consolidate financial accounting and reporting.* Comprehensive and clear financial reporting is critical to building and maintaining donor confidence. While UNEP currently reports its sources of funding, expenditures are not reported in a consolidated fashion. Expenditure reports should indicate expenditures in terms of mandated functions—capacity building, information collection and dissemination coordination—and by environmental issues so that member states and donors can understand how money is used.
Restructure organizational governance. Currently, UNEP’s governing council/Global Ministerial Environment Forum performs both of the governance functions UNEP needs: providing leadership to international environmental governance and overseeing UNEP’s programme and budget. Performing both roles leads to circumscribed leadership and circular decision-making, in which programmes and budget—not global needs—drive priorities and strategies. If UNEP is to live up to its mandated leadership role, an inclusive structure like the governing council/Global Ministerial Environment Forum is required to review global issues, assess global needs and spot gaps and identify global priorities and develop strategies to address them. Internal oversight is best performed by a smaller, more efficient body with greater discipline and focus on the programme of work, budget, management oversight and evaluation.

We recommend the creation of an executive board of no more than 20 members, and if committed to innovation, it could comprise representatives of member states and civil society. Membership should be rotating and ensure regional representation. This would mean eliminating or restructuring the committee of permanent representatives and the governing council. While politically challenging, such restructuring is fundamental to effective reform. The leadership of governments will be critical in this task.

In designing a new global environmental architecture, form should follow function. The institutional recommendations proposed in this chapter will not add a new layer of international bureaucracy. Quite the contrary, they will consolidate the existing panoply of international environmental institutions and shift towards a more modern “virtual” environmental regime. We envision a multi-stage approach building on the strengths of current institutions—especially UNEP as an anchor—addressing weaknesses and creating innovative arrangements where necessary. Our recommendations are:

- For the International Task Force on Global Public Goods—launch a comprehensive assessment of the global environmental governance system.
- For governments—create a global environmental information clearinghouse within UNEP, a global environmental capacity clearinghouse and cluster institutions.
- For UNEP—initiate an independent strategic review, consolidate financial accounting and reporting and restructure organizational governance.
Notes

1. Among the more comprehensive reviews of global environmental governance issues are Desai (2004); Esty and Ivanova (2002b); Kanie and Haas (2004); Speth (2003, 2004); and Vogler and Imber (1996).
3. The anchor institution terminology builds on a concept advanced by Alexander Shakow (2006). The definition of main functions also draws on the analysis of the outcomes of the 1972 Stockholm Declaration in terms of key functions of the central international environment organization and on more recent works on this topic. See Haas (1993); Head (1978); and Esty and Ivanova (2002a).
5. These two groups were targeted as the primary audiences of UNEP’s scientific assessments and information. Questions related to UNEP’s strengths and weaknesses as an information source, effectiveness of information outreach and priorities for improving monitoring, assessment and information provision. The response rate partially hinders the ability to gain a comprehensive sample of opinions about the information function. The Yale survey response rate, however, is similar to the 20% return rate to UNEP’s efforts at evaluating the impact of the Global Environmental Outlook report (see UNEP 2004b).
6. The overall response rate was 20%, and the response rate of the various offices contacted was as follows: 60% of professional staff in New York; 38% in Nairobi; 17% in Washington, D.C.; 11% in The Hague; 9% in Geneva; and 5% in Paris. There are several UNEP offices with a small number of staff, and responses have not been obtained from them.
7. A coordinated global network of collaborating centres contribute to the Global Environmental Outlook process, where top–down integrated assessment is continuously combined with bottom–up environmental reporting inputs. A significant amount of analysis of spatial and statistical data comes from UNEP’s Global Resource Information Database. Other data centres such as the Global Environmental Monitoring System–Water and World Conservation Monitoring Center work very
closely with governments and other scientific institutions to collect necessary data.
8. It is important to note, however, that these are self-reported trends. A more accurate measure of enhanced credibility and reputation would be through a survey of change in perception by organizations working with the UNEP collaborating centres.
9. See www.yale.edu/esi.
10. An example cited by governments in the report (UNEP 2005a) is in the area of health and the environment, in which various UN institutions and other organizations are active and likely duplicating efforts.
11. See UNEP (2005d), where the budget for 2004–05 is $32.5 million. The proposed amount for 2006–07 is $37.7 million.
12. See UNEP (2005d, p. 45). Total expenditures for established posts are $24.9 million of the $32.5 million 2004–05 budget.
13. The Environmental Coordination Board was made up of executive heads of the UN agencies under the chairmanship of the UNEP executive director and mandated to meet periodically to ensure cooperation and coordination among all bodies concerned in the implementation of environmental programmes. In addition, the Environmental Coordination Board was responsible for reporting yearly to UNEP’s Governing Council and fell under the auspices of the Administrative Committee on Coordination.
14. See United Nations (1997). The Office for Internal Oversight Services also noted that “[t]he basic issue facing UNEP is the clarification of its role…. It is not clear to staff or to stakeholders what that role should be. The lack of clarity has had consequences for how programmes have been conceived and managed, for the ongoing downsizing of programmes and for staff morale and esprit de corps. Management’s first responsibility should be to focus on this new role, anchoring it to fewer priorities so as to increase the organization’s effectiveness and its potential for impact.”
15. The 2006–07 UNEP Draft Programme of Work, for example, contains a detailed description of outputs for subprogrammes, including citation of relevant mandate(s) and any trust funds or earmarked contributions to support the output. It comprises a vast array of projects, publications, meetings, processes, services, symposia, studies and training events. However the programme is largely comprised of many small, ad-hoc and often short-term initiatives established independently of one another, rather than a set of harmonized initiatives developed to ac-
complish a set of focused priorities over the planning period. See www.unep.org/gc/gc23/index-flash.asp.

16. The work programme for 2006–07 concludes that “[w]hile it is recognized that there is a need for further policy development and guidance, there is consensus that the future emphasis of the work of UNEP must be focused on implementation, taking into account the gender perspective” (UNEP 2005d, para 58).

17. For example, the Chief Executives Board, the High-Level Committee on Programmes, the High-Level Committee on Management, the UN Development Group and the UN Executive Committees on Economic and Social Affairs and on Humanitarian Affairs all convene senior officials of intergovernmental organizations for coordination purposes.

18. For instance, the Intergovernmental Organization of Developing Countries (the South Centre) is headquartered in Geneva, despite its primary mission to “promote South solidarity, South consciousness and mutual knowledge and understanding among the countries and peoples of the South.” For the mission and functions of the South Centre, see www.southcentre.org/introduction/Introindex.htm.


20. Even recently declassified materials of the UK government show that, while there was interest in restricting the scope of the Stockholm Conference and reducing the number of proposals for action infringing on its domestic decision-making processes, the United Kingdom did not set out to create a weak environmental organization. Rather it accepted that the time had come for new institutional arrangements. In the words of an official from the United Kingdom’s Environment Department, a “new and expensive international organisation must be avoided, but a small effective central coordinating mechanism ... would not be welcome but is probably inevitable” (cited in Hamer 2002).

21. The United States and Sweden have specially appointed permanent representatives, often with solid environmental backgrounds, whose only responsibility is to work with UNEP.

22. See Najam (2003), who argues that “UNEP has been denied authority and resources.” Von Moltke (1996, p. 25) explains, “Given an impossible mission and a derisory budget, UNEP has slowly built an organization from program pieces.”
23. WTO’s total budget for 2004 amounts to CHF 127,776,500 or approximately $127,800,000 (1 USD = 1.266 CHF). For a breakdown of the WTO’s budget for 2004, see www.wto.org/english/thewto_e/secr_e/budget04_e.htm.

24. Based on UNEP (2004c) and the analysis of “UNEP Environment Fund Contributions by Donor Country” in late 2004 by the Yale research team.

25. For the functional organigramme of UNEP, see www.unep.org/Organigramme/.

26. Based on results of a preliminary organizational survey performed by the Yale research team in late 2004.

27. Von Moltke (1996, p. 54) asserts, “Lacking enthusiastic supporters, UNEP’s mandate was cannibalized. The principal means of achieving this goal was to provide limited funds divided between a minimal institutional budget and a modest ‘fund’, to assign it a ‘catalytic’ function and to locate it away from the decision-making centres of the UN system.”

28. UNEP is currently developing environment watch, “a system for improved monitoring of the globe’s environment which will also strengthen links between researchers and policy-makers” (UNEP 2005e).

29. Joint programming brought together the Designated Officials on Environmental Matters three times a year in addition to periodic meetings between those involved in a certain “cluster”. This process was “beginning to resemble comprehensive UN planning in program and resource distribution” (Eastby 1984, p. 241).


31. For a detailed discussion of an executive board, see Forss (2004).

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Appendix: Feedback from the Yale presentations

The findings and recommendations from the Yale course were presented at two events in February 2005—at the International Affairs Office of the US Environmental Protection Agency and at a side event during UNEP’s 23rd Governing Council and Global Ministerial Environment Forum in Nairobi. The presentations focused on an analysis of UNEP’s operations within the international environmental governance system by identifying key areas of achievement and challenge and revealing possible steps forward with an eye towards improved international environmental governance.

The fresh perspective of the Yale presentation received overwhelming positive feedback from the audience and buzz in the corridors of the governing council. Some 90 participants from governments, civil society and UNEP staff attended—including Executive Director Klaus Töpfer, Deputy Executive Director Shaqiq Kakakhel and multiple heads of UNEP divisions and regional offices. Dr. Töpfer openly welcomed the Yale assessment of UNEP and acknowledged the need for UNEP reform. There was clear consensus on the need for an effective and well functioning international environmental organization. Some urged the analysis to take a more fundamental look at UNEP, examine carefully whether its mandate was realistic and analzye fully the fundamental reasons behind UNEP’s performance. The recommendations for an external strategic review, a strengthened EMG and a reorganized governance structure were openly supported. No objections were raised to the broader recommendation of an information clearinghouse for UNEP.

Whether a function of the Yale effort or not, real policy impacts occurred at UNEP. Results of the senior management group retreat after the governing council included the initiation of a management review of UNEP by an external consultant with support of a small team designated by the executive director. This effort can very well be the first step towards the broader strategic review advocated in this paper.