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Joint Inspection Unit

Review of environmental governance within the United Nations system

Note by the Secretary-General*

Addendum

The Secretary-General has the honour to transmit to the members of the General Assembly his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit entitled “Post-Rio+20 review of environmental governance within the United Nations system” (see A/69/763).

* Document submission delayed in view of the need for extensive consultations.



Summary

In its report entitled “Post-Rio+20 review of environmental governance within the United Nations system” (see A/69/763), the Joint Inspection Unit provided follow-up to its previous report on the subject and reviewed environmental governance in the light of the United Nations Conference on Sustainable Development.

The present note reflects the views of organizations of the United Nations system on the recommendations provided in the report. The views have been consolidated on the basis of inputs provided by member organizations of the United Nations System Chief Executives Board for Coordination, which welcomed the report and supported some of its conclusions.

I. Introduction

1. In its report entitled “Post-Rio+20 review of environmental governance within the United Nations system” (see A/69/763), the Joint Inspection Unit provided follow-up to its previous report on the subject and reviewed environmental governance in the light of the United Nations Conference on Sustainable Development held in Rio de Janeiro, Brazil, in 2012. As the report is intended to strengthen environmental governance, the Joint Inspection Unit examines the progress made since the previous report, especially within the context of the Conference.

II. General comments

2. Organizations of the United Nations system welcomed the report of the Joint Inspection Unit on environmental governance, finding it informative and noting with appreciation that it addressed programmatic and in-house initiatives in a single report. Nevertheless, organizations provided general comments to ensure that the review promoted efficiency, policy coherence and the reduction of unnecessary duplication.

3. Organizations noted that recommendations 1 and 7 and their supporting text concerning the role and mandate of the United Nations Environment Assembly were inconsistent with, and might be viewed as potentially duplicating, the resolutions adopted by the Environment Assembly. More specifically, the Environment Assembly had adopted resolutions on the relationship between the United Nations Environment Programme (UNEP) and multilateral environmental agreements (resolution 1/12) and on coordination across the United Nations system in the field of environment, including the Environmental Management Group (resolution 1/11). The resolutions set out a clear process and the next steps, which should be respected. Therefore, organizations suggested that careful consideration should be undertaken before the proposal of recommendations that were inconsistent with what the Environment Assembly had been tasked with, what had already been agreed and the process moving forward.

4. In paragraph 27 of its report, the Joint Inspection Unit referred to the decision taken at United Nations Conference on Sustainable Development to “enhance the UNEP coordinating mandate by empowering UNEP to formulate United Nations system-wide strategies on the environment”. In the same paragraph, the Unit welcomed the development of such strategies and their “adoption” by the United Nations Environment Assembly, and organizations strongly supported the development of United Nations system-wide strategies on the environment. However, the wording used in the paragraph implied that UNEP alone would formulate the strategies. That was not consistent with the actual decision taken at the Conference, the resolution adopted by the General Assembly (resolution 66/288), the United Nations Environment Assembly resolution or supporting UNEP background papers for the resolution (see UNEP/EA.1/INF/22), which instead contain calls for and set out a highly collaborative and consultative process among United Nations organizations to develop the strategies while respecting the mandate and autonomy of such organizations.

5. Even though organizations generally accepted and supported the recommendations, they found that several, such as recommendations 7 to 9, could benefit from further clarification. On a more fundamental level, organizations noted that, in many places, the report went beyond its stated scope of international environmental governance and, in some places, addressed the issue of sustainable development and climate change more broadly. More specifically, while organizations agreed on the need to ensure that the environment is not addressed in a silo, they stressed the need to caution against conflating environmental sustainability with broader sustainable development. Various recommendations and findings contained in the report continued to conflate the two, potentially creating unclear mandates and duplication. For example, there were several references in the report to environmental and social sustainability, which some considered as possibly being beyond the mandate of the United Nations Environment Assembly, given that social sustainability includes such issues as human rights and gender. From a governance perspective, there was the risk of unnecessary duplication if separate processes were established for the environment dimension of sustainable development as opposed to those established for all three dimensions of sustainable development. Organizations noted that the Joint Inspection Unit report could have been strengthened through a more full reflection on these potential risks and a better determination of whether and how some of the recommendations could be taken forward. In particular, in recommendation 11 the Joint Inspection Unit suggested parallel intergovernmental approval processes. The focus should be not on establishing new approval mechanisms, but rather on how important bodies such as the Environment Assembly could meaningfully support and strengthen coordination and collaboration with existing processes, such as that of the high-level political forum on sustainable development, to ensure the environment dimension is strengthened.

6. The Joint Inspection Unit suggested, in paragraph 142, that the disparity between the growth in operational versus normative activities was a result of “duplication and incoherence in the activities in this sector”. Organizations, however, suggested that an increasing focus on operational activities and implementation at the country level was a positive indicator that there was increasing response to the demand by countries’ for this work. In fact, a cost-effective system would allot money to areas where it counted, in implementation, and not focus simply on normative activities.

7. Organizations appreciated that an important part of the analysis contained in the report addressed the complex issue of the functional relationships between UNEP and multilateral environmental agreements, and they welcomed the Joint Inspection Unit focus on the broad issue of “coordination for synergies among such agreements and other organizations”.

8. Noting that, in the section on management, the Joint Inspection Unit addressed issues relating to the provision by UNEP of administrative services to the multilateral environmental agreements, organizations agreed with the statement contained in paragraph 122 that “too much emphasis has been placed on this aspect of UNEP’s relationship with conventions”, and concurred with the fact that “programme, financing and United Nations system-wide synergies” constituted undisputable, fundamental priority areas in the relationship between UNEP and such agreements. However, organizations stressed that recommendations should not be based on a perceived dichotomy between the fiduciary responsibility of UNEP to

provide a secretariat to some multilateral environmental agreements and its ability to maintain a focus on more programmatic and strategic issues, but instead would benefit from a focus on how solutions to the existing management/administrative challenges must be part of an integrated “services package” provided in an efficient and effective manner to such agreements.

9. Organizations noted that, throughout the report, the Environment Management Group seemed to be considered an entity beyond its actual function as a coordination body that had no ability to adopt or formulate policies. Specifically, with respect to the five recommendations directed at the UNEP Executive Director and the three related to his chairmanship of the Group, organizations stressed that the UNEP chairmanship of the Group was separate from its participation in the coordination body. Furthermore, many of the recommendations directed at the Group either would be addressed through the system-wide strategies process or were being addressed through the Group’s Issue Management Group on sustainable management, in particular with regard to recommendations 5 to 7.

10. Finally, organizations noted that the Conference outcome document, entitled “The future we want”, repeatedly reaffirmed the importance of human rights in international cooperation and development, and they suggested that the report could have been strengthened through a highlighting of the linkage between human rights and sustainable development.

III. Specific comments on recommendations

Recommendation 1

The United Nations Environment Assembly (UNEA) of UNEP should request the Executive Director of UNEP to present a biennial report on normative and operational environment-related activities performed by the United Nations system organizations, collecting data from each of them as well as from the multilateral environmental agreements (MEAs), to assist Member States in defining United Nations system-wide strategies on the environment as a pillar of sustainable development as well as a common understanding of the division of labour among the organizations.

11. Noting that this recommendation was directed at the Environment Assembly, organizations acknowledged the value of a comprehensive “biennial report on normative and operational environment-related activities” that would assist member States in defining “system-wide strategies on the environment”. They recognized that, over the past four decades, environmental activities had become an increasingly integral component of the work of the wider United Nations system, reflecting both the intrinsic links of environmental matters to a broad range of issues and the growing importance attributed to the environment by various governing bodies across the system. The increased focus on environmental issues in the United Nations system was a significant achievement and represented an important source of competence and capacity, but also a challenge in terms of governance.

12. Organizations agreed, therefore, on the need to further strengthen consistency across the system, but they remained unclear on how UNEP would proceed, in practical terms, with as complex an exercise as presented in the recommendation,

which they suggested would require multiple and separate system-wide stock-taking and coordination activities. Instead, while organizations supported the spirit of the recommendation, they suggested that a more nuanced and practical approach, as articulated by the UNEP Executive Director in paragraph 50 of the Joint Inspection Unit report, would establish a structured definition of a system-wide framework reflecting the comparative advantage of each organization.

Recommendation 2

The Executive Director of UNEP should provide the UNEA, in the follow-up report to GEO-5, with a global environmental assessment of nuclear energy and nuclear radiation, drawing upon the work of the United Nations Scientific Committee on the Effects of Atomic Radiation as well as support by the IAEA and other United Nations system entities concerned.

Recommendation 3

In the implementation of Governing Council decision 27/2 (2013), operative paragraph 8, the UNEA should request the Executive Director of UNEP to prepare and submit to Member States an environmental assessment of nuclear energy and nuclear radiation in the context of sustainable development and poverty eradication.

13. Addressing recommendations 2 and 3 together, due to their shared focus on nuclear energy, organizations did not find the recommendations entirely sufficient in terms of communicating the environmental dimension of nuclear energy and nuclear radiation that would identify critical gaps in the science-policy interface aimed at achieving sustainable development goals and poverty reduction. However, they noted that discussions were currently under way between relevant parties (including UNEP, the International Atomic Energy Agency and the United Nations Scientific Committee on the Effects of Atomic Radiation) on possible collaboration to address the issue of nuclear energy in the context of sustainable development. Organizations therefore accepted the recommendations, subject to the availability of funds and agreements to be reached on the allocation of roles and responsibilities in collaboration with entities having similar mandates.

Recommendation 4

The Executive Director of UNEP should ensure that the Office of the Chief Scientist oversees the quality of project proposals for the Environment Fund, as well as within the Scientific and Technical Advisory Panel for GEF projects, and that resources are allocated to that Office so as to enable UNEP to fulfil its role of promoting a strong science-policy interface to provide overarching system-wide guidance on the environment.

14. Noting that recommendation 4 was directed at the Executive Director of UNEP and had as its overall objective the promotion of strong science-policy guidance for relevant project proposals, organizations expressed support for the recommendation, but also emphasized that it oversimplified a complex process. UNEP pointed out that, under normal circumstances, projects were supported through a mix of funds from the Environment Fund and other extrabudgetary resources and that the Chief Scientist's involvement began at the highest level, with the identification of key scientific issues that would shape the development of the organization's strategic

plans. The priorities identified by the Chief Scientist were then reflected in the programme of work and subprogramme frameworks. All projects were subject to a range of reviews, which included input from the Office of the Chief Scientist. Therefore, while the recommendation was supported, the environment was more complicated than the recommendation implied, and the recommendation as it stood presented some practical challenges in terms of the resources and efficiency that might be lost by having the Chief Scientist oversee every project proposal.

Recommendation 5

The Secretary-General as the Chair of CEB should prepare where necessary, under the appropriate guidance of the General Assembly, a common policy and related guidelines to prevent the conflict of interest of any members and experts participating in technical and scientific panels and committees in the field of environment, to be followed by all United Nations system organizations and by multilateral environmental agreements.

15. Organizations supported and welcomed recommendation 5.

Recommendation 6

The General Assembly should delegate to the UNEA the authority to consider the annual reports of the Rio Conventions that it receives through the Secretary-General together with the report on the work of the Environment Management Group in order to activate the agreed regular review by the governing body of UNEP of the effectiveness of MEAs in accordance with the Cartagena Package contained in its decision SS.VII/1.

16. Noting that the recommendation was directed at the General Assembly, organizations agreed that the call for a periodic review of the effectiveness of multilateral environmental agreements, contained in the package of recommendations agreed upon in Cartagena, in 2002, was essential for assessing the progress achieved towards meeting the obligations contained in such agreements. However, organizations emphasized that undertaking the task suggested in recommendation 6 would not have significant value, given that the annual reports of the Rio Conventions would not necessarily yield the kind of data required to assess the effectiveness of such agreements.

Recommendation 7

The UNEA should request the Executive Director of UNEP, as Chair of the EMG, to task the EMG to systematically assemble and update norms, standards and guidelines related to in-house environmental management systems, and to develop common guidelines for the delivery of environment-related activities by the United Nations system organizations.

17. Organizations generally supported recommendation 7, noting that increased coherence in the norms, standards and guidelines of the United Nations system organizations with respect to in-house environmental management systems would facilitate progress by United Nations bodies, maximize the efficient use of scant resources in this area and further strengthen the institutional approach. The Environment Management Group's Issue Management Group on environmental sustainability management, coordinated by the UNEP Sustainable United Nations

facility, already developed and advocated for common norms and guidelines and had been found to be a very cost-effective means of building environmental management capacity in the United Nations system. However, organizations also pointed out that the Environment Management Group did not function as a policymaking body, and, while it could formulate guidance, norms and standards, their application would require the governing bodies of member entities to adopt them as a matter of institutional policy.

Recommendation 8

The Executive Director of UNEP, as Chair of the EMG and in consultation with CEB, should urge the executive heads of member organizations of the EMG to:

(a) Improve, through peer review in the EMG, the measurement and reporting of the environmental practices and expenditures of their organizations based on environmental management accounting (EMA) guidelines so as to better disclose financial and environmental decisions; and

(b) Promote capacity-building and dedicate resources within the United Nations system to ensure the implementation of EMA guidelines to further operationalize the System of Environmental-Economic Accounting in developing countries in cooperation with the United Nations Statistical Commission.

18. Organizations noted that recommendation 8 (a) had three distinct components: improving measurement and reporting of environmental practices and expenditures of in-house environmental work; doing so through peer review; and also doing so through the adoption of environmental management accounting methodologies that enhance the disclosure of financial and environmental decisions. Organizations supported the first two parts of the recommendation. They agreed that improved measurement and reporting of practices and costs were a core element of quality in-house environmental management and that the peer review process, although very time-consuming, had yielded useful benefits for agencies being reviewed, as well as for reviewers. Organizations also reported strong support and willingness to continue the peer review exercise, but noted that, given the voluntary nature of the reviews, the reviewed agencies had no obligation to follow up on, or to implement, any of the recommendations made. While organizations, therefore, supported the implementation of the environmental management accounting guidelines, they questioned whether the Environment Management Group was an appropriate vehicle for financial reporting, as implied in the recommendation.

19. Organizations did not have strong reservations regarding recommendation 8 (b), as the environmental management accounting methodology specified in the Joint Inspection Unit report was produced as a capacity-building tool to help developing countries to implement environmental management accounting reporting frameworks for companies within their jurisdiction. However, because it related to capacity-building and further operationalization of the Integrated Environmental and Economic Accounting at the country level and there was already a mandate for this work from the Statistical Commission,¹ organizations questioned the need to link recommendation 8 (b) to the Environment Management Group. Organizations

¹ See the report on the forty-fifth session of the Statistical Commission (E/2014/24), decision 45/105, paragraphs (e) and (g).

noted that the Group could facilitate the consultative process to reach agreement on the guidelines or the operationalization of the Integrated Environmental and Economic Accounting, but the implementation responsibility should remain with the Statistical Commission since the Group did not have an implementation mandate to systematically review all aspects of environmental activities throughout the United Nations system. Because the Group did not have a policymaking or implementation mandate, there was no added value to establishing an Issue Management Group on this topic.

Recommendation 9

The Executive Director of UNEP, as Chair of the EMG, should submit a biennial progress report to the UNEA on the development and mainstreaming, as well as the application, of environmental norms and standards, both for in-house management and for environment-related activities delivered by the United Nations system organizations.

20. Noting that recommendation 9 was a logical accompaniment to recommendations 7 and 8, organizations accepted that its implementation might have the generally positive effect of raising the visibility and accountability of environmental management norms and practices. They stressed, however, that the current commitment to reporting in-house practices and results was voluntary, with flexible time frames, and was not allocated resources consistently across the United Nations system. The recommendation should be implemented in a manner that makes use of existing systems or mechanisms and does not create additional reporting requirements that would unnecessarily burden organizations' limited resources dedicated to environmental improvements. Organizations noted that the framework for environmental and social sustainability management, which was produced by the Environment Management Group and was piloted by seven agencies in 2015, could provide a useful means of gathering information for a progress report.

Recommendation 10

The Secretary-General, drawing upon inter-agency work in CEB and the EMG and taking into account the expertise developed by OECD/DAC, should update the definition of the CEB sector programme classification relevant to environment-related normative and operational activities, in a manner compatible with the use of environmental management accounting.

Recommendation 11

The Secretary-General, after consultation with the executive heads of member organizations of CEB in his capacity as its Chair, should submit to the UNEA of UNEP and the high-level political forum on sustainable development, for approval, proposals for a system-wide framework of measuring and monitoring resources required for the implementation of environment protection and sustainable development within the United Nations system organizations.

21. Responding to recommendations 10 and 11 together, organizations agreed that a systematic tracking of resource allocation for environmental activities in the United Nations system would be beneficial, although challenging, as stated in paragraph 150 of the Joint Inspection Unit report, in which the Unit described many

of the obstacles confronting the collection of data necessary for reporting. Organizations also supported the intent of these recommendations, which they found valuable and necessary to ensure an efficient allocation of resources, and suggested that the Organization for Economic Cooperation and Development markers shown in annex V, table 4, of the report provided an example of the type of classification that could be used, with the Environment Management Group and other inter-agency coordination bodies facilitating the process of updating the definitions. They note that, as per recommendation 11, any guidelines developed through inter-agency coordination bodies would have to be adopted by the United Nations System Chief Executives Board for Coordination (CEB) with respect to internal management issues or the draft policy/guidance would have to be adopted by the respective governing bodies of its member entities in order to become institutional policy.

22. However, organizations observed that the recommendations, in particular recommendation 11, conflated “environment” and “sustainable development” as one issue, with the terms seemingly used interchangeably in paragraphs 140 to 158 of the report. They further maintained that there was a need to address the issue of sustainable development across the social and economic dimensions, along with the environmental dimension. They therefore suggested that the breadth of issues encompassed by “sustainable development” lay beyond the environmental mandate of the Environment Assembly, and that the Environment Assembly might therefore not be the appropriate body to approve system-wide frameworks for measuring and monitoring the resources required for the implementation of sustainable development, as suggested in the recommendation. In addition, organizations noted that the Assembly did not have any formal decision-making authority in terms of financial plans and budgets, which, for the United Nations funds and programmes, were the purview of their respective executive boards and, for the General Assembly (with the support of the Advisory Committee on Administrative and Budgetary Questions), were the purview of its Fifth Committee.

23. There was therefore a risk that the implementation of recommendation 11 would require a fundamental, costly and unnecessary recalibration of existing accountability and governance arrangements if the United Nations Environment Assembly and the high-level political forum on sustainable development were instead to be the bodies to approve mechanisms for monitoring and reporting on resources. Organizations noted instead that any recommendation to improve the measurement and reporting of resources must take into account and be anchored in country-led national processes. Organizations further maintained that decisions regarding the use of resources at the country level should be based on country demand and principles of national ownership.

Recommendation 12

The executive heads of the United Nations system organizations involved in country activities in the UNDAF should:

(a) Adopt outreach and training policy; support the establishment of capacity-building in the United Nations country team; and disseminate the UNDG guidance notes on mainstreaming environmental sustainability and the integration of the three dimensions of sustainable development into the UNDAF process; and

(b) **Support the operationalization of the above-mentioned policy and the attendant expertise within the framework of the United Nations country team with the effective participation and contribution of specialists and experts of UNEP and MEAs, when feasible, as well as with the active use of sector experts of specialized agencies, funds and programmes, who have environmental knowledge and expertise working under the guidance of the Resident Coordinator.**

24. Even though organizations supported recommendation 12, they stressed the need to take into consideration existing and projected budgetary limits when adopting the proposed policies. In that vein, organizations suggested that the recommendation would have been strengthened by further analysis of and clarity regarding the effects that its implementation would have on organizations, in particular with regard to the operationalization of the United Nations Development Group guidance notes and the participation and contribution of specialists and experts of UNEP and multilateral environmental agreements, as well as of sector experts of specialized agencies, funds and programmes.

Recommendation 13

The Executive Director of UNEP, as the Chair of the EMG, should ensure that the EMG develop evaluation policy and standards and guidelines specific to the environmental field to promote environmental and social sustainability that would provide the United Nations Environment Assembly with robust and relevant internal and external system-wide evaluations of environmental activities of the organizations with a view to assisting the high-level political forum on sustainable development in strengthening the institutional framework for sustainable development. Such policy and standards and guidelines should take into account progress made in the formulation of the United Nations system-wide strategies on the environment called for in para. 88 (c) in “The future we want” (General Assembly resolution 66/288, annex).

25. Organizations concurred with recommendation 13 to the extent that it was consistent with the desire to provide robust monitoring and evaluation processes, although some also suggested that the United Nations Evaluation Group, rather than the Environment Management Group, was a more appropriate mechanism in this regard. Many agencies reported that they had already conducted evaluations of interventions geared towards environmental and social sustainability within the framework of United Nations Evaluation Group norms and standards, with the methods for evaluation varying depending on the types of intervention.

26. However, organizations also suggested that any effort to define specific policies and standards might encounter difficulties when attempting to articulate, in a meaningful way, the boundaries of the “environment field”. In addition, organizations noted the importance of securing the integrity and independence of the evaluation results and stressed the importance of identifying a specific entity, with a strong mandate, to undertake such an activity, in order to ensure the greatest possible effectiveness of the evaluation policies, standards and guidelines. Organizations also suggested that greater differentiation between intergovernmental and inter-agency processes would also be beneficial since inter-agency coordination should ensure that intergovernmental mandates were implemented as part of an executive head’s management remit. Finally, organizations noted the importance of avoiding the emergence of duplicate or parallel mandates in the system during this process.