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TO: All Members of the World Commission
on Environment and Development

FROM: Jim MacNeill
Secretary General



DATE: 23 January, 1987

RE: CHAPTER 12

Attached is a completely revised draft of Chapter 12, provisionally titled "From Common Concerns to Common Action: Proposals for Institutional and Legal Change".

The general thrust of the discussion on the earlier draft at the Moscow Commission meeting was that it was too long and contained too many proposals which, in some cases, were also considered too detailed for the main report. The draft Chapter has now been cut by half. Many proposals have been significantly revised and reduced as a result of the discussions at the Moscow Commission meeting. Also as agreed, the proposals for organizational change in the U.N. system have been more closely associated with the current efforts for U.N. reform, and those of a more specific character have been transferred from the main report to a special Annex.

As agreed, the extensive reduction and revisions in part II of the draft have been made in close consultation with Maurice Strong.

ACTION REQUIRED: For Discussion and Comment

CHAPTER 12

FROM COMMON CONCERNS TO COMMON ACTION PROPOSALS FOR INSTITUTIONAL AND LEGAL CHANGE

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CHAPTER 12

FROM COMMON CONCERNS TO COMMON ACTION PROPOSALS FOR INSTITUTIONAL AND LEGAL CHANGE

1. The perception and experience of reality within and among many nations has been transformed in less than a decade. Political and economic realities were persistently invoked in the 1970s to resist or even dismiss many proposals for stronger measures to protect the environment and integrate environmental management with economic development. Today, the reality of linked environmental and economic decline in large parts of the world is exposing policies and institutional arrangements as inadequate and even unrealistic.

2. Examples of their increasing costs in undermining economic development and lives are provided in previous Chapters. In the first part of this Chapter we highlight the systemic nature of the problems and opportunities and the now acute mismatch between our inherited institutional frameworks and the inter-related issues of environment and development; we consider the urgent need to move beyond treating the symptoms to tackle the real sources of those problems; and the imperatives for renewed international co-operation. In the second part of this Chapter we propose eight major priority thrusts for action on institutional and legal change needed for making the necessary transition to sustainable development.

II. THE CHALLENGE FOR INSTITUTIONAL AND LEGAL CHANGE

1. The Management Gap

3. This generation and the next face fundamental changes that exceed all historical experience: a demographic transition to a world population of between 8 to 13 billion people living largely in urban rather than rural settlements; an economic transition with a five to ten-fold increase in economic activity in less than half a century; a technological transition to beneficial but higher risk technologies; and, as described in previous Chapters, equally fundamental transitions in energy, industry, agriculture and forestry. These transitions are each marked by an accelerating pace and scale of change, growing impacts through rapidly expanding world-wide linkages and a profound change in the relationships between our economic and natural systems.

4. These different transitions are already underway and each represents a formidable challenge in its own right. The fundamental challenge stems from their systemic character. Mutually inter-locked, they can no longer be dealt with effectively through separate policies and institutions or even by separate nations acting unilaterally. Their dominant characteristic is an accelerating interdependence: not just economic interdependence, or just ecological interdependence, but the two combined and interlocked locally, regionally and even globally.

5. This new reality requires an equally fundamental change in the way we think and act about environment and development, and about international co-operation. In the real world, environment and development are merging and emerging as a single issue. In our governments, industries and international institutions we find the

reverse. Those responsible for managing natural resources and protecting the environment are institutionally isolated from those responsible for managing the economy. As the real world will not change, our present policies and institutions must.

6. The critical issues raised by these transitions reveal a large and growing gap between our capacity to change the biosphere through development, which is leaping upwards at unprecedented rates, and our capacity to manage these changes in the interests of both the biosphere and development, which is at a comparative standstill. Some attempts have been made to narrow this gap and a number of successes can be identified. However, the general response to date has been largely one of retrenchment around inherited institutional forms, with governments pulling ever more insistently at levers that no longer connect effectively to the forces they are designed to influence.

7. The systemic characteristics of the new challenge and issues stand out in sharp contrast to the characteristics of the institutional framework we have inherited to deal with them: interdependent issues versus fragmented agendas; a horizontal reach versus vertical structures; a need for comprehensive approaches versus narrow mandates; the dynamic clustering of groups of issues around several policy sources versus organizational rigidity and territoriality; a growing need for greater public information, involvement and support versus closed decision processes and secrecy; and a 20th century need and 21st century imperative to manage issues that reach across frontiers versus concepts of sovereignty and security inherited largely from the 19th century.

2. Moving Beyond the Symptoms to the Sources

8. Early in its work the Commission decided that if it was to "take a fresh look at the critical issues of environment and development" as specified in its mandate, it would need to adopt a new way of looking at the issues. We therefore drew attention to two distinct approaches to environmental management in our initial "Mandate for Change" report in early 1985. One, which was characterized as the "standard agenda", reflects an effects-oriented approach to environmental policy, laws and institutions. The second, which we developed and referred to as a new "alternative agenda", reflected a policy sources approach.

9. As is evident throughout our report, these two distinctive approaches result in two entirely different ways of looking both at the issues and at the institutions we have developed to manage the issues. Although both approaches are essential, up to the present only the first, the effects-oriented approach, has been reflected in our policies, laws and institutions.

10. The effects-oriented "standard agenda" was a natural response to the growing concern about the dramatic decline in environmental quality that the industrialized world suffered during the 1950s and 1960s. It led to new policies targeted on substances and products, on industries and urban regions, and on environmental resources such as air, water, soil, forests, coastal and marine waters, fish and wildlife and their habitats. New environmental protection and resource management agencies were added on to the existing institutional structures, given mainly scientific staffs, and mandated to focus largely and often only on the effects of activities impacting on man or the natural environment.

11. Those environment agencies have registered some notable successes in improving environmental quality during the past two decades. They have secured significant gains in monitoring and research, in defining and understanding the issues in scientific and technical terms, in inducing innovation and new control technologies, processes and products in most industries, and generally in reducing the resource content of growth. They have also raised public awareness, nationally and internationally.

12. However, these environmental protection and resource management agencies have evolved in both developed and in developing countries within a very narrow concept of environmental or resource conservation policy. Their effects-oriented approach tends to examine the issues as environmental issues alone or as resource or conservation issues, rather than as development issues or as joint development-and- environment issues. Moreover, it focuses primarily on the effects as if they were the real "environmental issues" when the real issues are the sources of the effects, and principally the development policies which generate them. While the existing environmental protection policies and agencies must be maintained and even strengthened, we need a broader concept of "environmental policies", "environmental agencies" and "environmental budgets" than we have inherited.

13. Effective decision-making power in most countries tends to be concentrated at the top and in a few central agencies such as the Finance Ministry, National Planning Commissions, a Bureau of the Budget and Trade, and Foreign Ministries. In addition to these central agencies, governments usually have major sectoral Ministries on, for example, energy, agriculture, industry and transport. As repeatedly demonstrated throughout our

report, it is these agencies which most influence the form, character and distribution of the impacts of economic activity on the environmental resource base. It is these agencies, through their policies and budgets, which determine whether the environmental resource base is enhanced or destroyed and whether the planet will be able to support human and economic growth and change beyond the year 2000. Today, these major central and sectoral agencies are the real "environmental agencies"; their policies are the real "environmental policies"; and their budgets are the real "environmental budgets".

14. These agencies too have emerged, over a longer period of time, within a very narrow concept of economic, social and sectoral policy. Their mandated goals are to increase economic and social development, investment, employment, food energy, and similar immediate priorities. Most have no mandate to be concerned with sustaining the environmental and resource capital on which these goals depend. Those with such a mandate are usually grouped in separate environment agencies or, sometimes, in minor units within sectoral agencies. In either case, they usually learn of new initiatives in economic and trade policy, energy and agricultural policy, or of new tax measures that will impact heavily on the resource and environment base of development, long after the effective decisions have been taken. Even if they were to learn earlier, they usually lack the access and authority to ensure that the policy concerned induces development that is sustainable.

15. This must change. Given the accelerating pace and scale of change and the multiple transitions through which the world is now passing, nations and the international community must now move quickly to make environment protection and sustainable development a principal and integral part of all central economic and

sectoral agencies of government, international organizations and major institutions in the private sector. They must be made responsible and accountable for ensuring that their policies, programmes and budgets encourage and support activities which are economically and ecologically sustainable both in the short term and over the longer term. They must be given a renewed mandate to pursue their traditional goals in such a way that those goals are reinforced by a steady enhancement of the environmental resource base of their own national community and of the small planet they share.

3. Need for Renewed International Co-operation

16. National boundaries have become so porous today that traditional distinctions between matters of local, national and international significance have become blurred and even impractical. An increasing range of policies that were formerly considered to be exclusively domestic matters of national concern now have an external impact on the ecological basis for economic development and even survival in other countries. With the growing reach of other nation's policies into their "sovereign" territory, each nation confronts narrower limits in devising national solutions to "their problems". Central economic, trade and monetary policies provide examples of this as do sectoral policies in most areas.

17. Many current agricultural policies are a case in point. As pointed out in the Chapter on "Food Security", the links between the rich, incentive driven agriculture of industrialized market economies and the poor and often neglected agriculture of developing countries helps to explain the growing degradation of soils and other resources in both. Different nations pursue their own national agricultural policies to secure short-term economic and political gains, but no nation alone can

devise and implement solutions to deal with the financial, economic and ecological costs of these policies as they are intimately linked with international trade. Equally compelling examples concerning forestry, energy and industrial policies can be found in previous Chapters. Together they demonstrate that achieving sustainable development will require a common international effort of unprecedented proportions to reorient many economic, trade, aid, energy, agricultural and other policies that underlie many unsustainable forms of development.

18. However, instead of pulling together key nations seem to be on a collision course in many of the critical policy areas. Their disputes often concern how to maintain national advantage in the very policies that hamper their development, rather than how to devise new policies that would speed their and other nations' development along sustainable paths. The agenda around which nations gather to discuss their differences and the vocabulary of their disputes reflects little or no understanding of the new realities of ecological and economic interdependence.

19. Moreover, by the mid-1980s multilateral institutions were under siege for many and often contradictory reasons. After over three decades of gradual post-war development, the United Nations system came under increasing attack for either proposing to do too much, or, more frequently, for appearing to do too little. Conflicting national interests blocked significant institutional reforms and have increased the need for fundamental change.

20. Funds for most international organizations also declined both in relative and absolute terms. Even bilateral development assistance declined, and many

developed countries have dropped even further away from the targets proposed in the early 1970s. The benefits and effectiveness of development assistance also came under serious question, in part because of "ecologically blind" policies and projects leading to unsustainable forms of development. This further undermined confidence in and support for development assistance and co-operation, while perversely increasing the need for even greater international aid and co-operation.

21. The results are all too clear in the opportunities missed in the areas of macro-economic performance, trade and development; in the now third energy shock, the consequences of which could further undermine the ecological basis for future development; and in the opportunities missed for strengthening the human and physical resource base for food security in many developing countries, and especially in Africa. The results are also clear in the growing number, frequency and scale of crises to be confronted.

22. The international legal framework must also be significantly strengthened in support of sustainable development. Although there has been a relatively rapid development of international law related to environment, particularly since the 1972 Stockholm Conference, there are still major gaps and deficiencies which must be overcome as part of the transition to sustainable development. Even then, however, the international legal framework would still lack a major attribute that has proven essential to the effectiveness of all other legal systems: the ability to induce and enforce compliance when necessary. All communities and nations have at least some common rules which are enforceable and enforced. Given the characteristics and global implications of the new issues and risks, the viability of the community of nations will require a similar

capacity to promote and protect common interests. Much of the evidence and conclusions presented in earlier Chapters of this report calls into question not just the desirability but even the feasibility of maintaining an international system which cannot prevent one or several states from harming the ecological basis for development and survival of any other or even all other states.

23. The existing international legal framework needs to be significantly strengthened, and the decline in political and financial support for multilateral co-operation and institutions must be reversed. Otherwise we will face a future of missed opportunities, increasing crisis, and a downward spiral of ecological and economic collapse.

II. PRIORITY THRUSTS FOR LEGAL AND INSTITUTIONAL CHANGE

24. This report has demonstrated that many fundamental changes are already underway within and between the economic and ecological systems of our small planet, with already perceptible consequences for all peoples and nations that none would freely choose.

25. There are other choices that can and even must be made today. This generation has the capacity, opportunity and obligation to lay the foundation for a new transition, shaping the many inter-locked transitions now underway: the transition to sustainable development within and among all nations. In order to realize the opportunity, some fundamental changes are needed in our institutional frameworks. These changes are embodied in eight priority thrusts which the Commission puts forward for action at the national, regional, and international level.

1. Getting at the Sources

26. Reorient central economic, finance, trade and major sectoral policies and make the corresponding agencies directly responsible and accountable for ensuring that their policies, programmes and budgets support development that is sustainable.

2. Dealing with the Effects

27. Strengthen the role and capacity of existing environmental protection and resource management agencies to restore, protect and improve the ecological basis for sustainable development.

3. Providing The Legal Means

28. Enact new principles and norms for state and inter-state behaviour to secure sustainable development within and among nations, and strengthen procedures for ensuring compliance with them.

4. Ensuring Survival

29. Establish an independent and authoritative capacity to identify, assess and report on critical threats to the survival, security and well-being of the world community.

5. Managing the Commons

30. Strengthen the capacity to protect and use international commons and resources for the benefit of present and future generations.

6. Taking Effective Regional Action

31. Increase the capacity to deal with regional and sub-regional issues of economic co-operation, environmental protection and sustainable development.

7. Making Informed Choices

32. Expand the role and participation of the public non-governmental organizations, the scientific community and industry in development planning, decision making and implementation.

8. Investing in Our Future

33. Increase financial resources and support for national and international action to secure environmental protection and sustainable development.

1. Getting at the Sources

34. The new reality demonstrated in this report is the complete inter-locking of environment and development. The most urgent task confronting nations today is to reflect this reality in their institutional arrangements, nationally and internationally. The negative effects of development on the planet's environment and resource base will continue to grow reducing the potential for development at the very time when needs are expanding at historic rates. Nations need therefore to strengthen significantly their generally weak capacity to deal with these effects and this is discussed below. If, however, we are to begin gradually to reduce the cumulative negative impacts of planetary development on the environment, we must begin to get at the sources in

economic, trade, and sectoral policies. This means effecting an institutional marriage of economics and environment.

1.1. Reorienting National Policies and Institutions

35. How this is done will vary from country to country because of the many different political and economic systems around the world. Nevertheless, there are several major features concerning what needs to be done that are common to all countries.

36. As an essential first step, sustainable development objectives and criteria must be built into and become a central concern of national political processes and decision making. In countries with parliamentary forms of government, for example, sustainable development objectives and criteria could be incorporated in the formal mandates and terms of reference of those Cabinet and legislative Committees dealing with national macro-economic policy, planning and priorities; those dealing with major sectoral policies in areas such as agriculture, energy and industry; and, given the many international economic and ecological interdependencies described in this report, those dealing with trade policies and foreign affairs.

37. As a necessary extension of this, the major central economic and sectoral agencies of governments should now be made directly responsible and fully accountable for ensuring that their policies, programmes and budgets support development that is sustainable, ecologically as well as economically, both in the short term and over the longer term. As a rule, this will mean refocusing their mandates and priorities. They must, of course, continue to pursue their traditional goals of economic growth, employment, food, energy and security, but they

should be required increasingly to deploy their financial and other resources in such a way that those goals are reinforced by a steady enhancement of the environmental resource base of local communities and the nation. The budgets of these agencies should become budgets for sustainable national development.

38. In most cases, a special capacity and locus for leadership will be needed for some time to facilitate these changes and to assess progress during the transition to national sustainable development. Governments could give overall responsibility to a senior Minister, assisted by a national Council for Environmental Protection and Sustainable Development with participation from government, industry, the scientific community and NGOs. The Council could monitor and assess the impact of economic, trade, and sectoral policies and activities on the environment and sustainable development both nationally and internationally, and be a major source of advice and recommendations.

39. A report and audit on changes in the quality of the nation's environment and in the stock of the nation's assets of environmental and natural resource capital is also needed to complement the traditional annual fiscal budget. Such a report and audit is essential to obtain a complete and accurate account of the true health and wealth of the national economy, and to assess progress towards sustainable development. While all central and sectoral departments should share responsibility and contribute to the report, for practical purposes it may often be advisable to allocate the overall responsibility for preparing and issuing such an annual "Sustainable Development Report and Audit" to the same senior Minister designated under the previous proposal.

40. Governments should also consider developing an explicit and consistent "foreign policy for the environment" in recognition of their increasing responsibility and vulnerability concerning environmental degradation within or outside their national borders. In some cases, a nation may suffer environmental impacts as a consequence of the energy (e.g. acidification) or agricultural (e.g. desertification) policies of neighbouring states. In other cases, a nation's own domestic policies may adversely affect the environment of other states. For both cases, a new and consistent "foreign policy for environment" is needed. It should address the interrelated environment and economic impacts of, for example, foreign investment, trade, development aid and the import or export of hazardous chemical, wastes or technologies.

41. Such a policy is also needed in response to common regional and even global threats (e.g. climate change) to national economic development and survival. A broadly based, explicit and consistent foreign policy for environment would help each nation in reconciling their self-interests and international responsibilities, and facilitate international co-operation and action to reduce the unsustainable pressures on the environment and natural resources of the planet.

1.2. Reorienting International Institutions and Programmes

42. At the international level, there is already an extensive institutional capacity which can and should be redirected to pursue the common objective of sustainable development, and with the United Nations in the lead. The present efforts to reform the United Nations and improve its economy, efficiency and effectiveness should therefore incorporate sustainable development as a primary goal and criterion in assessing and proposing

institutional changes. Special efforts and mechanisms for monitoring progress and for improving performance, co-operation and co-ordination within the U.N. system will be needed during the transition to sustainable development. This does not necessarily mean entirely new organizational arrangements or additional financial resources, as this could be achieved through a reorientation and reinforcement of existing ones.

43. As at the national level, all major international bodies and agencies of the United Nations system should be made responsible and fully accountable for ensuring that their programmes and budgets encourage and support development policies and practices that are sustainable over the short and longer term. Governments, through joint resolutions in the respective governing bodies, should now begin to reorient and refocus the mandates, programmes and budgets of key agencies to support sustainable development.

44. This will require the redeployment in each agency of some staff and financial resources to establish a small but high-level centre of leadership and expertise for monitoring and helping to accelerate progress towards sustainable development. That centre should be linked to the programme planning and budget processes, as the future budgets of these agencies should become part of the U.N. system's overall budget for sustainable development.

45. Instead of shifting a responsibility to UNEP that it cannot and was never expected to carry, each agency should now be directly responsible for ensuring that the environmental and resource aspects of programmes and projects are properly taken into account when they are being planned, and that the financial resources needed are provided directly from its own budget. In line with

these new responsibilities, the following agencies should also assume full operational responsibility within their own budgets for the following programmes presently supported by the Environment Fund of UNEP: WHO on "Environmental Health"; FAO on "Agricultural Chemicals and Residues"; UNDRO on "Natural Disasters"; UNIDO on "Industry and Transport"; ILO on "Working Environment"; UNDA on "Arms Race and the Environment"; DIESA on "Environmental Aspects of Development Planning and Co-operation"; UNESCO on "Education"; and UNDP on "Technical Co-operation".

46. As in each agency, there is also a need for a high-level centre of leadership and capacity to assess, advise, assist and report on progress made and needed for sustainable development throughout the U.N. system as a whole. The General Assembly has already endowed the post of Director General for Development and International Economic Relations with the relevant responsibility, under the direction of the Secretary General, of "ensuring the provision of effective leadership to the various components of the United Nations system in the field of development and international economic co-operation and in exercising overall co-ordination within the system in order to ensure a multidisciplinary approach to the problems of development on a system-wide basis." The Director General could appropriately be given the overall responsibility for ensuring that sustainable development objectives and criteria are applied throughout the U.N. system and be vested with the authority and resources necessary to do so.

47. To ensure close inter-agency co-ordination and co-operation, the U.N. Secretary General should also constitute a special U.N. Board for Sustainable Development consisting of the Chairmen of key intergovernmental bodies of the U.N. system and the

executive heads of the key agencies, chaired by the Director General for Economic Co-operation and Sustainable Development. A principal function of the Board would be to agree on combined tasks to be undertaken jointly by the agencies to deal effectively with critical issues that cut across agency and national boundaries.

48. The World Bank, the International Monetary Fund (IMF) and the Regional Development Banks warrant special attention because of their major influence on economic development throughout the world. While the World Bank has made more persistent efforts and progress than any other major international development assistance agency, accelerated efforts are needed. The World Bank, the I.M.F. and the Regional Development Banks should incorporate sustainable development objectives and criteria into their policies and programmes. This would be facilitated by the establishment of a high-level office in each agency with the authority and resources to ensure that all policies, projects and loan conditions support and lead to sustainable forms of development, and to prepare and publish annual assessments and reports on progress made and needed. In addition, the last section of this chapter includes a proposal for a special World Conservation Banking Programme or facility linked to or in the World Bank.

2. Dealing with the Effects

49. The immediate concern of too many today, particularly the people and countries who are the poorest, is to survive the struggle to overcome the already crushing effects of past and present unsustainable development. Unfortunately, environmental degradation and human suffering on an increasing frequency and scale are built into present processes of unsustainable development. These possess a momentum

which will continue until the measures proposed for dealing with the real policy sources of the problems are put in place and begin to achieve results.

2.1 Strengthen National Environmental Protection and Natural Resources Management Agencies

50. As an essential part of the transition to sustainable development, governments should strengthen the role and capacity of existing environmental protection and resource management agencies to restore, protect and improve the environment. This is needed most urgently in developing countries and in many cases will require expanded programmes of international co-operation and support.

51. Governments in developing countries must themselves take the initiative and provide the political leadership and institutional and legal framework needed for effective environmental protection and resource management. When they do, bilateral and multilateral assistance organizations should be prepared to provide additional institutional and financial support. They should give priority to programmes for institutional development in environmental protection and resource management, similar to earlier efforts in other priority areas such as agriculture, health and education. They should offer greatly increased financial support, including increased support to community groups and non-governmental organizations which are rapidly emerging as important and cost effective partners in securing environmental protection and improvements at the local and even national levels.

52. Industrialized countries will also need greatly strengthened institutions to deal with the continuing backlog of first generation pollution problems and the

growing range of second generation environment and resource management issues. In addition to addressing an increasing range of environment and resource issues in their own countries and advising and assisting central economic and sectoral agencies, the environmental protection and resource management agencies of industrialized countries should play a larger and more direct part in international co-operation. As part of their own vocation and national interest, they should devote more time and resources to working closely with other countries and international agencies trying to cope with environmental problems at the regional and global levels. They should also provide effective institutional support, technical advice and assistance to their counterpart agencies in developing countries.

2.2 Strengthen Existing Global Institutions

53. Following the 1972 U.N. Conference on the Human Environment, the U.N. General Assembly created the United Nations Environment Programme (UNEP) as the central co-ordinating agency on environment for the U.N. system. The proposal to establish our Commission originated with the UNEP Governing Council, and we have given special attention to ways and means for strengthening UNEP's role and functions as the global lead agency for international co-operation on environmental protection and improvement. The main thrusts of our proposals are set forth in the following section.

2.2.1 The United Nations Environment Programme (UNEP)

54. The U.N. General Assembly gave UNEP a broad and challenging mandate to stimulate, co-ordinate and provide policy guidance for environmental action throughout the U.N. system. That mandate was to be carried out by a 58 member-state Governing Council; a high-level U.N.

inter-agency Environment Co-ordination Board (ECB); a relatively small secretariat located in Nairobi; and a voluntary fund set initially at a level of US\$20 million annually. UNEP's principal task was to exercise a catalytic influence on the programmes and projects of other international organizations, primarily in but also outside the U.N. system. Over the last ten years, the Environment Fund has largely levelled off at around US\$ 30 million annually while its range of tasks and activities have increased substantially.

55. The Commission has recommended a major reorientation and refocusing of programmes and budgets on sustainable development in and among all organizations of the U.N. systems. Within such a new U.N. system-wide commitment and priority effort on sustainable development, UNEP should be the authoritative central source in the U.N. system for environmental monitoring, assessment and reporting, as well as the principal advocate and agent for change and co-operation on critical environment and natural resource protection issues. The major priorities and principal functions of UNEP should be:

- * to provide leadership, advice and guidance in the U.N. system on restoring, protecting and improving the ecological basis for sustainable development;
- * to monitor, assess and report regularly on changes in the state of the environmental and natural resources (Earthwatch);
- * to support and co-ordinate priority scientific and technological research on critical environmental and natural resource protection issues;

- * to develop and facilitate action plans for key ecosystems and issues to be implemented and financed by the governments directly concerned;
- * to support and facilitate the development of international law, conventions and co-operative arrangements for environmental and natural resource protection;
- * to provide advice and assistance on request to the United Nations Development Programme and other U.N. organizations and agencies in respect of the environmental dimensions of their programmes and technical assistance projects, including training activities.

Priority to Global Environmental Assessment and Reporting

56. While more is known about the state of the global environment now than a decade ago, there are still major gaps and a limited international capability for monitoring, collecting and combining basic and comparable data needed for authoritative overviews of key environmental issues and trends. Without such a capability and overview, the information needed to set priorities and develop effective policies to protect and restore the environmental resource base for development will remain limited.

57. UNEP can and should be the authoritative central source in the U.N. system for environmental monitoring, assessment and reporting, and for guiding the global agenda for scientific research and technological development for environmental protection. It is therefore recommended that the monitoring, assessment and state of the environment reporting functions (Earthwatch)

of UNEP should be significantly strengthened and accelerated, and should have priority over all other activities in the allocation of staff and financial resources now and through at least the 1990-95 Medium-Term Plan. The Global Environment Monitoring Systems (GEMS) should be expanded as rapidly as possible, and the development of the Global Resource Information Data Base (GRID) should be accelerated to bridge the gap between assessment and management by focusing data on specific environmental management problems in specific geographical areas.

Focus on Environmental Protection Issues

58. UNEP has from the beginning been a key agent in focusing the attention of governments on critical environmental problems (e.g. deforestation, marine pollution); in helping to develop many global and regional action plans and strategies (e.g. desertification); in contributing to the negotiation and implementation of international conventions (e.g. Protection of the Ozone Layer); and in preparing global guidelines and principles for action by governments (e.g. marine pollution from land-based sources). The UNEP Regional Seas Programme has been particularly successful, and could serve as a model for some other areas of special concern, especially international river basins.

59. UNEP's catalytic and co-ordinating role in the U.N. system can and should be reinforced and extended. In its future work on critical environmental protection issues, UNEP should focus particularly on:

- * developing, testing and helping to apply guidelines for the restoration, protection and improvement of the ecological basis for development;

- * extending existing and proposed international agreements reached at the regional level (e.g. on chemicals and hazardous wastes), and accelerating or launching negotiations on new international conventions, protocols and agreements on critical environmental issues;
- * extending the Regional Seas Programme and agreements for intergovernmental co-operation on monitoring and assessment into self-financing action plans for restoration, protection, and improvement;
- * developing a similar programme for getting international agreements and self-financing action plans for the environmentally sound management of international river basins;
- * identifying the need for and helping other U.N. organizations and agencies to establish and carry out technical assistance and training courses for environmental protection and management.

Strengthen International Environmental Co-operation

60. The UNEP Governing Council cannot fulfil its primary role of providing leadership and policy guidance in the U.N. system nor have a significant influence on national policies unless governments increase their participation and level of representation from the environment related ministries. National delegations to future meetings should preferably be led by the Environment Minister with their senior policy and scientific advisers. The agenda, reports and discussions should be focused on those critical environmental protection problems and policy issues which are on the priority agenda of governments, or may soon be. The discussions should lead to clear guidelines and

recommendations on what governments and their international organizations can, should and, in some cases, must do about them.

61. At each Governing Council meeting, there should also be a special ministerial discussion focused on the environmental aspects and implications of a key central economic or sectoral policy area (e.g. trade, agriculture, health, forestry, human settlements). Stronger links also need to be developed with the governing bodies of other key agencies and organizations in the U.N. system; with their executive heads and senior officers, especially in UNDP and the World Bank; and with regional bodies in and outside the U.N. system. Special provisions should also be made at future sessions for expanded and more meaningful participation by major non-governmental organizations.

Increase the Revenue and Focus of the Environment Fund

62. The UNEP voluntary funding base of US \$ 30 million annually is too limited and vulnerable for an international fund dedicated to serving and protecting the common interests, security and future of mankind. Six countries alone provided over 75 per cent of the 1985 contributions to the Environment Fund (USA, Japan, U.S.S.R., Sweden, FRG, U.K.). More than half of the U.N. member countries made no financial contribution at all in 1985. Those countries should give serious consideration to doing so.

63. Nevertheless, in the current climate of financial austerity it seems unlikely that a substantial enlargement of the Environment Fund is a realistic possibility. To the extent that additional funds are made available by states for U.N. development programmes

and activities, they will likely and appropriately be channelled largely through the UNDP and the development programmes of other U.N. agencies. But, as emphasized throughout this report, the resources and budgets of all of those agencies should now be used in support of development that is sustainable. That must and can be achieved only by building environmental considerations into all of their programme planning, decision making and implementation. UNEP can and should play a major role in helping them to do so. In particular, much closer links should be developed between UNEP and UNDP.

64. The effective use and impact of the Environment Fund can be increased by refocusing the programme on fewer priority areas and activities. As recommended earlier, other U.N. agencies should now assume full and direct responsibility for some of present Environment Fund priority areas and activities and finance them entirely from their own budgets. The resources of the Environment Fund itself should then be concentrated on the principal functions and priority areas identified earlier, and in particular on expanding Earthwatch.

65. The effective use and impact of the Environment Fund can also be increased by expanding support and co-operation with non-governmental organizations. Over the last decade, non-governmental organizations and networks have become increasingly active and effective in helping to secure environmental protection and improvement at the local, national and international levels. However, financial support from the Environment Fund for co-operative projects with NGOs declined in both absolute and relative terms in last decade, from US \$4.5 million (23 per cent) in 1976 to US \$ 3.6 million (13 per cent in 1985). The amount and proportion of Environment Fund resources for co-operation and projects with NGOs should be significantly increased.

66. Finally, recognizing both the critical importance of renewed efforts on environmental protection and improvement as well as the current financial constraints in many countries, governments should also give serious consideration to augmenting the Environment Fund through some of the new and more assured sources of revenue proposed in the later section on "Investing in our Future".

3. Providing the Legal Means

67. National and international law has traditionally and too often lagged behind events. Today, legal regimes are being rapidly out-distanced by the accelerating pace and expanding scale of man's impacts on the ecological basis for economic development and, in some cases, even survival. The fast widening gap between the slowly evolving laws of man and the unchanging and universal laws of nature must be confronted and closed. As an essential part of ensuring survival and making a successful transition to sustainable development within and among nations, there is now an urgent need:

- * to recognize and respect the reciprocal rights and responsibilities of individuals and states regarding sustainable development;
- * to establish and apply new norms for state and inter-state behaviour to achieve sustainable development;
- * to strengthen and extend the application of existing laws and international agreements in support of sustainable development;

- * to reinforce existing methods and develop and procedures for avoiding and resolving environmental disputes.

3.1 Recognizing Rights and Responsibilities

68. Principle 1 of the Stockholm Conference Declaration stated that "Man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well-being". Principle 1 further proclaimed the solemn responsibility to protect and improve the environment for both present and future generations. After the Stockholm Conference several states such as the U.S.S.R. (1977), Spain (1978) and Peru (1979) formally recognized in their Constitutions or basic laws the right to an adequate environment and the obligation of the state to protect the environment.

69. Recognition by states of their responsibility to ensure that present as well as future generations have an environment adequate for their health and well-being is an important step towards sustainable development. However, progress in securing sustainable development will also be facilitated by recognition of, for example, the right to know and have access to current information on the state of the environment and natural resources; the right to be consulted and to participate in decision making on activities likely to have a significant effect on one's environment; and the right to legal remedies and redress for those whose health or environment has or may be seriously affected.

70. The enjoyment of any right requires respect for the similar rights of others, and recognition of reciprocal and even joint responsibilities. To achieve sustainable

development, the responsibilities of individuals, industry, and especially states should include the following:

- * to maintain ecosystems and related ecological processes essential for the functioning of the biosphere;
- * to maintain biological diversity by ensuring the survival and promoting the conservation in their natural habitat of all species of flora and fauna;
- * to observe the principle of optimum sustainable yield in the exploitation of living natural resources and ecosystems;
- * to prevent or abate significant environmental pollution or harm;
- * to establish adequate environmental protection standards;
- * to undertake or require prior assessments to ensure that major new policies, projects or technologies contribute to sustainable development;
- * to make all relevant information public without delay in all cases of harmful or potentially harmful releases of pollutants, especially radioactive releases.

71. As an essential part of making the transition to sustainable development, it is recommended that governments take appropriate steps to recognize their shared and reciprocal rights and obligations in national and international legal frameworks. At the national level there is such a wide variation in legal systems and

practices that it is not possible to propose an approach that would be valid for all countries. However, as noted, some countries have amended their basic laws or Constitution. Others are considering the adoption of a special national law or Charter setting out the rights and responsibilities of citizens and the state regarding environmental protection and sustainable development. Other may wish to consider the designation of a national Council, public representative or "ombudsman" to represent the environmental interests and rights of present and future generations, and to act as a watchdog for alerting governments and citizens to any emerging threats to the ecological basis of economic development.

3.2. A Universal Declaration and a Convention on Environmental Protection and Sustainable Development

72. One of the early and major achievements of the United Nations was the adoption by the General Assembly in 1948 of the Universal Declaration of Human Rights. The Assembly proclaimed the Declaration as "a common standard of achievement for all peoples and all nations" and called upon them to promote and secure the effective recognition and observance of the rights and freedoms in it. Those rights were later consolidated and extended in several binding international Covenants. A special committee of independent experts was also established to consider reports by states on measures taken to implement the Covenant on Civil and Political Rights and also to consider communications alleging violations.

73. A similar approach is now needed in launching and making the transition towards sustainable development. In this case, however, what is needed and proposed is essentially a charter of rights for all states to protect both their self-interest and common interests as they can no longer afford to insist simultaneously on the

sovereign right not to be polluted by other states while retaining the sovereign right to pollute other states. The charter should include some new norms of inter-state behaviour clearly required to maintain life in the small interdependent global village of the year 2000. They could include basic norms for prior notification, consultation and assessment on activities likely to impact on neighbouring states (or suburbs) and on the global (or village) commons. They could include the obligation to alert or inform neighbouring states in the event of an accident likely to impact severely on them. While a few such norms have evolved on certain activities in some bilateral and regional arrangements, the lack of general agreement on such basic rules for inter-state behaviour today undermines both the sovereignty and economic development potential of each and all states.

74. As an early indication of the new commitment to sustainable development, we recommend that at its 1987 session the General Assembly establish a special negotiating group to prepare a universal Declaration on environmental protection and sustainable development. The special negotiating group for the proposed Declaration should aim at providing a text for adoption in 1988. Once approved, that group should proceed to prepare a Convention on Environmental Protection and Sustainable Development based on the universal Declaration.

75. Recognizing the difficulty of the task, the special negotiating group should aim at having an agreed Convention text ready for signature by states within 3 to 5 years. To help launch that process quickly and as a starting point for negotiations towards a Declaration and subsequent Convention, the Commission is submitting to the General Assembly a number of draft principles prepared by its group of international legal experts. They are annexed to this report.

3.3. Strengthen and Extend Existing International Conventions and Agreements

76. While negotiations proceed on the preparation of a more comprehensive approach and Convention for Environmental Protection and Sustainable Development, governments should also accelerate their efforts to strengthen and extend existing and more specific international Conventions, agreements and co-operative agreement by:

- * acceding to or ratifying existing global and regional Conventions dealing with environment and development, and applying them with more vigour and rigour;
- * reviewing and revising those relevant Conventions which need to be brought in line with the latest available technical and scientific information;
- * negotiating new global and regional Conventions or arrangements aimed at promoting co-operation and co-ordination in the field of environment and development (including, for example, new conventions and agreements on climate change, hazardous chemicals and wastes and on preserving biological diversity).

77. A chronic problem for many international Conventions and agreements is that after agreement is reached and even after the text has been signed by states, there is often a long delay before enough states have ratified it to actually bring it into force. With the rapidly increasing pace and scale of environmental impacts on human health and economic development, the world can no longer afford such delays. It is therefore recommended that present efforts to streamline the procedures for bringing conventions into force should be accelerated. In addition, the relevant intergovernmental

secretariats should be given the responsibility and authority to urge and even assist some states in ratifying relevant Conventions quickly. Alternatively, concerned governments and foundations should consider providing special support for doing so to competent NGOs, such as the IUCN Environmental Law Centre.

3.4 Avoiding and Settling Environmental Disputes

78. Many disputes can be avoided or more readily resolved if all or most of the principles, rights and responsibilities cited earlier are built into the national and international legal frameworks and are fully respected and implemented by a large number of states. Moreover, individuals and states are more reluctant to act in a way that might lead to a dispute when, as in many national legal systems, there is an established and effective capacity as well as an ultimately binding procedure for settling disputes. Both attributes are lacking at the international level, particularly on environmental and natural resource management issues.

79. It is recommended that public and private organizations and NGOs strengthen and expand the capacity to avoid and resolve such disputes, and establish special panels or rosters of experts with experience in various forms of dispute settlement and special competence on the legal and substantive aspects of environmental protection, natural resources management and sustainable development. In addition, a consolidated inventory and referral system or network for responding to requests for advice and assistance in avoiding or resolving such disputes should be established.

80. To promote the peaceful and early settlement of international disputes on environmental and resource management problems, it is recommended that the following

procedure be adopted. States should be given up to 18 months to reach mutual agreement on a solution or on a common dispute settlement arrangement. If agreement is not reached, then the dispute can be submitted to conciliation at the request of any one of the concerned states and, if still unresolved, thereafter to arbitration or judicial settlement.

81. This proposed new procedure raises the possibility of invoking a binding process of dispute settlement at the request of any state party. However, binding settlement is not the preferred method for settling international disputes. Nevertheless, such a provision is now needed not only as a last resort to avoid prolonged disputes and possible serious environmental damage, but also to encourage and provide an incentive for all parties to reach agreement within a reasonable time on either a solution or a mutually agreed means such as mediation for reaching a solution.

82. As a complementary measure, the capacity of the Permanent Court of Arbitration and the International Court of Justice should also be strengthened. States should also consider making more use of the World Court's capacity under Article 26 of its Statute to form special chambers for dealing with particular cases or categories of cases, including environmental protection or resources management cases. The Court has already declared its willingness and readiness to deal with such cases fully and promptly.

4. Ensuring Survival

83. Above and before all else is the need to ensure survival. For mankind, nuclear war is the greatest threat. However, for many people and nations around the

world it is not the only or most immediate threat to their survival. Some of these new threats are identified and documented in previous Chapters of this report and include:

- * The growing number, frequency and scale of largely man-induced disasters, such as the 1984-85 famine in Ethiopia.
- * Increasing technological risk and immediate and long-term impacts on human health and ecosystems through accidents which, we have been repeatedly assured, could not happen but did - at Bhopal in 1985 and at Chernobyl and Basle in 1986.
- * The accelerating pressures and potential for permanently exceeding the thresholds of natural systems regionally (e.g. acidification, desertification, deforestation) and globally (e.g. ozone layer depletion, climate warming), with increasing risk of loss of livelihoods and lives.

84. There is a need for a capacity within the international community, independent but with the support and confidence of governments and intergovernmental organizations, to provide timely, objective and authoritative assessments, public reports and advice on critical threats to the survival or well-being of the world community. To meet this need the Commission recommends the establishments of a new "Programme for the Evaluation of Risk to Global Survival" (the World Survival Programme") which would mobilize and draw upon the capacities of the scientific community and the private sector, to complement and support the role of UNEP and other intergovernmental bodies by:

- * identifying critical threats to the survival, security or well-being of all or a majority of peoples, globally or regionally;
- * assessing the causes and likely economic and ecological consequences of those threats;
- * reporting regularly and publicly on their findings;
- * providing authoritative advice and proposals on what should or must be done to avoid, reduce or, if possible, adapt to those threats;
- * providing support to governments and intergovernmental organizations for the implementation of programmes and policies designed to address such threats.

85. The World Survival Programme would not require the creation of a new international institution as such, but rather a mechanism for co-operation among existing international and national institutions and scientific bodies of a non-governmental character. It would be guided by a Steering Committee composed of 20-30 eminent individuals who together would reflect a broad cross-section of the major areas of knowledge, vocations and regions of the world. It would be supported by a small permanent secretariat which could be located within, but would be independent from, an existing institution.

86. The Steering Committee would serve as the focal point for taking decisions on issues to be addressed by the programme, agreeing on the research, study, monitoring, experimentation and evaluation activities required and the allocation of the work programme amongst the various participating institutions and its continuing co-ordination. It would also be charged with assisting

in the mobilizing of resources required to undertake these measures, the overall evaluation of results, their dissemination to governments, intergovernmental organizations and the public, and follow-up activities. Its methods of work would include special inquiries and public hearings open to all experts and representatives of governmental and non-governmental groups.

87. It should also have the capacity to establish special expert and advisory groups consisting of world-known authorities in specialized areas of science, economics and law.

88. The funding of the World Survival Programme would need to be provided through voluntary contributions by states, foundations and other private sources. Funding would principally be for the purpose of financing the various individual activities which would be carried out by other organizations and institutions as part of the programme and only a small portion would be required to meet the central costs of the Steering Committee and secretariat. Funding might ultimately also be made available through one or more of the new international revenue sources proposed later in this Chapter.

5. Managing the Commons

(NOTE: The summary statement in this section will be based on the final draft of Chapter 10).

6. Taking Effective Regional Action

89. Many international environmental and resource use problems can be avoided or resolved only through international co-operative arrangements. This is especially true for many transboundary ecosystems. The sooner co-operative arrangements are put in place the

better. Neglect or delays can foreclose mutually beneficial options or exacerbate linked environmental and economic decline.

90. Many of these issues can be dealt with best through co-operative arrangements designed by and for those states directly concerned, especially problems of an exclusively regional or sub-regional character. Many problems which are handled inadequately or neglected at regional and sub-regional levels will eventually have wider and even global impacts on natural and economic systems.

6.1 Strengthen Existing Regional Organizations

91. The priority agendas for "getting at the sources" and for "dealing with the effects" both need to be strengthened and implemented in all of the existing regional intergovernmental organizations. It is therefore recommended that governments:

- * build sustainable development objectives and criteria into the overall mandates, programmes, and budgets of all regional intergovernmental organizations within and outside the United Nations system;
- * increase the role and resources of the intergovernmental committees and staff units dealing with environmental protection and natural resource management issues in those regional organizations, or establish such a capacity where they do not exist.

6.2 Establish New Regional and Sub-Regional Organizations

92. Special regional and sub-regional intergovernmental bodies for economic co-operation and sustainable development are needed, especially among developing

countries, to deal with interrelated economic, energy, environment and development problems, and to manage the transition to sustainable development in a co-ordinated and cost-effective way.

93. At the bilateral and regional level, developed countries are institutionally rich, enjoying a comparatively well developed structure for international action. This includes a wide range of specialized bilateral organizations such as the Canada/USA International Joint Commission; sub-regional multilateral agencies in Europe such as the Rhine River, Danube or Baltic Sea Commissions; several large and long-established regional multilateral organizations such as the CMEA and the OECD; and even a supra-national organization, the Commission of the European Community (CEE).

94. Programmes for international co-operation on environmental protection and natural resources management are long standing and prominent feature of all of these organizations. Within these organizations, governments can take up virtually any problem of common interest, obtain advice on how to advance their common interest, concert policy action, and even negotiate legally-binding decisions and treaties. Nevertheless, these extensive regional and sub-regional institutional arrangements among developed countries need to be strengthened particularly to assist and facilitate the integration of environment into economic, trade, energy and other sectoral policies. They do, however, provide the developed countries with a strong foundation on which to build.

95. This is not true, unfortunately, for developing countries in the other regions. At the bilateral, sub-regional and regional level, they remain

institutionally poor. They need to establish among themselves, with full support and assistance from developed countries when requested, effective bilateral and regional organizations to:

- * develop regionally comparable economic and environmental statistics; baseline quantity and quality surveys of shared resources, and early warning capabilities to reduce or prevent an increasing range of environment and development hazards;
- * identify and develop opportunities for regional co-operation in financing, developing and exploiting new technologies for environmental protection, restoration and improvement;
- * convene high-level meetings on critical common problems at the Ministerial and senior policy advisors' level aimed at reaching agreement on joint or co-ordinated action;
- * develop contingency plans and the capacity to respond quickly to existing or emerging critical situations and issues;
- * make recommendations, decisions and commitments binding on all members;
- * develop and apply in concert basic common principles and guidelines concerning environmental protection and resource use, particularly with respect to foreign trade and investment.

6.3 Focus on Ecological Systems

96. There is also a need for a new focus and priority on the sustainable use and management of ecological

systems and sub-systems. The IUCN has identified over 200 distinct bio-geographic zones in the world. Most of them transcend the boundaries of two or more states. Their essential ecological functions and economic uses can best and often be maintained and effectively managed only through international co-operation.

97. International river basins provide an even more graphic example. There are at least 200 major international river basins in the world. Most non-island countries in the world share at least one international river basin. Nearly one of every four of these countries are situated entirely in an international river basin. Nevertheless, only 63 per cent of the 200 river basins are covered by an international agreement, and only 27 have co-operative institutional arrangements. In both cases, the gap is particularly acute in Africa, Asia and South America which together have 144 international river basins.

98. It is therefore recommended that governments support and accelerate directly and through UNEP and IUCN the development of sub-regional co-operative agreements and arrangements for the protection and sustained use of ecological units, especially among developing countries. Such co-operative arrangements should include joint commission or expert committees among contiguous countries to assess and agree on measures for the equitable and sustainable use of transboundary natural resources and migratory species, and for the assessment and reduction or avoidance of transboundary environmental problems (e.g. desertification, transboundary air and water pollution).

7. Making Informed Choices

99. The transition to sustainable development will require making a whole new range of complex decisions and public policy choices. To make choices which are not only better informed but also represent and enjoy a wide degree of public support, governments should:

- * make accelerated use of new technologies to collect and assess the essential information for decision making;
- * increase the role and participation of NGOs, community groups, the scientific community and the private sector.

7.1 Make Accelerated Use of New Technologies

100. Recent developments in electronics and space technology have opened up dramatic possibilities for handling the complex information now needed by decision makers. Remote sensing platforms in space, augmented by digital communications and advanced information analysis techniques are now capable of providing detailed and up-to-date knowledge on a wide variety of resource, demographic, climatic and other variables. High speed electronic data-communications technologies are now already in place which permit the sharing of technical information rapidly and accurately. One of the most valuable information packages resulting from these technologies is the geographic information system (GIS) which is based on a marriage of remote sensing from space and ground based mapping techniques. GIS packages make possible new insights about conditions on earth by merging data resulting from conventional land-based collection efforts, with that obtained from remote sensing platforms in space. With the use of powerful digital techniques capable of analysing and sythensizing these data in a highly communicable visual form, they can

provide information of vital interest to both the scientific community and decision makers.

101. A need that will become increasingly apparent with accelerating economic growth and environmental awareness is for the generation of timely signals and early warning of potentially undesirable events. Remote-sensing and other new technologies are increasingly able to monitor and spot both opportunities - such as for agriculture - as well as warn of man-induced disasters. The availability of these new technologies makes possible a quantum leap in the ability of nations, both rich and poor, to have access to information which is necessary to anticipate disasters and assess risks, and for planning sustainable development strategies. Governments should make a concerted efforts to accelerate the development and application of these new monitoring and information technologies as a key part of progress towards sustainable development.

102. In addition, there is a need for an improved capacity within and among countries not only to analyse global environment and resource issues but also, and more importantly, to put it all together, to examine the interdependencies and to relate the parts to the whole. Beyond this is the need to extract from such synthesis relevant conclusions that bear on policy action by governments.

103. A few institutions, public and private, are developing more sophisticated and reliable models to assess economic and ecological interdependencies on a local, national and even global basis. However, at the international level there is at present no mechanism for co-operation in the testing, review and comparison of the methods, results, and implications of global models and studies.

104. In our view, such a mechanism is now needed to facilitate and act as a catalyst for co-ordinated and integrated analyses of environment and resource issues, and to monitor the results, examine their interrelationships and, from time to time, extract relevant insights and conclusions that bear on policy action in various fields and draw them to the attention of governments. This new capacity could provide essential information, support and advice to, for example, the proposed new U.N. centre of leadership on sustainable development, the World Survival Programme and national governments.

7.2. Increase the Role and Participation of Scientific and Non-Governmental Organizations

105. The scientific community and a wide variety of non-governmental and citizen organizations have played a major part in the environmental movement from its earliest beginnings. Scientists were the first to point out evidences of significant environmental risks and changes resulting from the growing intensity of human activities. Other non-governmental organizations and citizen groups pioneered in the creation of public awareness of these issues and the political pressures which stimulated governments to deal with them. The role of the scientific and non-governmental communities in respect of the United Nations Conference on the Human Environment held in Stockholm in 1972 was an indispensable one.

106. This is true, too, of their continuing contribution to the follow-up of the Stockholm Conference, to the assessment of new evidence of environmental impacts, design and implementation of measures to deal with them and to maintaining the high degree of public and political interest required as a basis for action.

Today, major national "State of the Environment" reports are now being done by some NGOs (e.g. Malaysia, India, U.S.A.). Among the international NGOs, several now produce major global reports on the status and prospects for the global environment and natural resource base, such as the annual "State of the World Report" by the Worldwatch Institute; the "World Resources Report" by IIED and the World Resources Institute; and the IUCN "World Conservation Strategy".

107. Many new international coalitions and networks of private voluntary NGOs are now in place and active. These include regional groups such as the European Environment Bureau (EEB); the Asia-Pacific People's Environment Networks (APPEN); the African Network of Environment NGOs (ANEN); global coalitions on critical issues such as the Pesticide Action Network (PAN); the Working Group on Development Assistance; the Seeds Action Network; and a global network for information exchange and joint action through the Environment Liaison Centre (ELC). The ELC has over 230 NGO groups as members, with the majority from developing countries, and is in contact with 7,000 others.

108. At the national level, in making and implementing informed choices during the necessary transition to sustainable development, it is essential to have the support and co-operation of most citizens, the scientific community and other NGOs. It is therefore recommended that governments facilitate the participation and help expand the role and effectiveness of NGOs and community groups by, for example, recognizing and extending their right to know and have access to current information on the state of the environment and natural resources; their right to be consulted and to participate in decision making on activities likely to have a significant effect

on their environment; and their right to legal remedies and redress when their health or environment has or may be seriously affected. Moreover, governments should not only execute more projects in co-operation with NGOs and community groups, but increasingly even through them.

109. At the international level, there are a much smaller number of non-governmental organizations which deal on a broad basis with environmental and related development issues. These function to a large extent by providing a means through which national and special purpose organizations can consult and co-operate in addressing issues of an international nature. Three of these have played particularly important roles which will be of even greater importance in future and deserve special mention. They are:

- * The International Union for the Conservation of Nature and Natural Resources (IUCN). IUCN is a global federation devoted to the protection and sustainable use of the earth's living natural resources. Its membership is uniquely composed of states, governmental agencies, universities, research institutes, citizen organizations and other private organizations. IUCN, with significant financial support from the World Wildlife Fund, has achieved considerable success in various sectors of nature conservation and natural resources management with and in spite of limited financial resources. It took the lead, with assistance from UNEP and WWF, in producing the World Conservation Strategy in 1980 and in assisting governments to develop national conservation strategies. IUCN can and should have a leading role and an expanded capacity for helping to develop global and regional action plans and agreements for the conservation of species and ecosystems of international significance such as tropical forests or arid ecosystems like the Sahel.

- * The International Institute for Environment and Development (IIED) pioneered the conceptual basis for the environment-development relationship under the leadership of its former President, Lady Jackson (Barbara Ward). It has continued to provide significant leadership in this field through policy research, particularly in the economic and social sciences areas, and its extensive range of activities in analyzing key issues and disseminating information concerning them, including its Earthscan programme. It also has a programme of working with and supporting the development of related organizations in the developing world and facilitating their participation in international activities and links with their counterparts in the international community. IIED played an especially central role in preparations for the Stockholm Conference as well as in the subsequent work which led to the establishment of this Commission. It is particularly well positioned to make an important contribution to the follow-up of the Commission's work.

- * The International Council of Scientific Unions (ICSU) is the principal mechanism through which a wide variety of scientific organizations consult and co-operate with each other. While its programmes deal with a broad range of issues of concern to the world's scientific community, ICSU has made an important contribution to identification and evaluation of important environmental issues through its Special Committee on Problems of the Environment (SCOPE) and such special programmes as the newly inaugurated International Geosphere Biosphere Project (IGBP). ICSU's demonstrated ability to mobilize the capacities of the international scientific community and focus them upon

important environment issues is a significant asset to the international community which will be even more needed in future.

110. Each of these three international organizations represents an existing capability of inestimable value to the world community. They are each in a unique position to contribute to the World Survival Programme. All of them are modest in their size and in their budgets, indeed much smaller than many of the national organizations which participate in and contribute to their various activities and programmes. But they play an indispensable role in providing the instrumentalities for leadership and co-operation amongst the wide variety of organizations in their respective constituencies, a capability which is essential to effective co-operation in addressing an increasing number of environment and development-related issues which cannot otherwise be dealt with effectively.

111. These capabilities will be needed to a much greater extent in future, and it would be difficult and costly to replicate them if they did not already exist. Fortunately, they do exist. But they must have substantially increased financial support if they are to undertake significant expanded roles and functions which they are in the best position to undertake on behalf of the world community in future. In the Commission's view, the increased support which will allow IUCN, IIED and ICSU to perform these expanded services represent an indispensable and cost-effective investment to which the Commission recommends the high priority be accorded by governments, foundations and other private and public sources of funding.

112. At the international level, governments should also establish or strengthen procedures for official

consultative status and more meaningful participation of capable and qualified NGOs in all intergovernmental organizations with major activities relevant to environmental protection and sustainable development. Bilateral and multilateral development assistance agencies, especially UNDP and the World Bank, should also identify and increasingly work with and through national and local NGOs in executing sustainable development projects.

7.3 Increase Co-operation with Industry

113. There are mutual advantages to be gained by both industry and governments through working more closely together on, for example, basic principles and guidelines regarding agreements, laws and regulations governing investment and trade. World industry has recently taken some significant steps towards addressing these issues through various international associations (e.g. the 1984 International Chamber of Commerce/World Industry Conference on Environmental Management (ICC/WICEM), and through voluntary guidelines concerning industry practices on environmental, natural resources and science and technology measures (e.g. OECD Guiding Principles for Multinational Enterprises), but few have as yet been extended to or applied regionally in Africa, Asia or Latin America.

114. At the national level, governments and industry should establish joint advisory councils for sustainable development for mutual advice, assistance and co-operation in helping to shape and implement policy, laws and regulations for making an effective transition to more sustainable forms of development. At the international level, especially among countries in Africa, Asia and Latin America, governments should establish special negotiating groups with members from

government, industry and NGOs to develop a basic international code of conduct for sustainable development, drawing on and extending relevant existing voluntary codes.

8. Investing in Our Future

115. Industrialized countries that mounted significant environmental protection programmes during the 1970's and succeeded in rolling back the damage costs of high levels of first generation pollutants saw expenditures on environmental measures rise from about 0.3 per cent of the Gross National Product (GNP) in 1970 to between 1.5 per cent and, in some countries around the end of the decade, 2.0 per cent of GNP. Those industrialized and developing countries that did not mount significant programmes, saw the damage costs of environmental pollution and resource deterioration rise enormously instead.

116. Given the transition trends, those industrialized countries with advanced programmes either will see expenditures on environmental protection rise between 20 to 100 per cent just to maintain current levels of quality, or they will see increased damage to health, property and ecosystems, or both. Those countries without advanced programmes will see expenditures mount to similar levels simply to halt destruction of their resource base for development, restore past damage and, in many countries, roll back the first and second generation of pollutants. If they fail to respond, then their potential for economic growth and development will be undermined even further by advancing destruction and depletion of their basic resource capital, and by the high damage costs of advancing pollution.

117. However, reorientation of agricultural, energy, forestry, industry and other policies along the lines proposed in this report could avoid ultimately higher levels of expenditures on restorative and curative measures. Both industrialized and developing countries can reduce the levels of future expenditures and damage costs significantly, and also enhance their future economic prospects, by making central and sectoral agencies directly responsible for maintaining and enhancing environmental and resource stocks. Expenditures for environmental protection and resource management would then gradually be built into the budgets of the agencies and industries whose policies and projects give rise to the costs.

118. Developing countries, however, will need a significant increase in financial support from international sources to meet the enormous costs that they face through the transition, and this increase will need to come from both traditional and new sources.

8.1 New Sources of International Financing

119. The international community still relies largely on the same three sources of financing since the establishment of the United Nations forty years ago: assessed contributions from governments; voluntary contributions by governments; and funds borrowed in capital markets by the World Bank and other international financial institutions.

120. Assessed contributions from governments have traditionally been used largely for the administrative and operating costs of international organizations and are basically not intended for multilateral assistance. Moreover, the prospects of raising significant additional funds through assessed contributions are now severely

limited. Moreover, the total assessed contributions from governments are also significantly smaller than the amount provided through voluntary contributions.

121. Voluntary contributions by governments give the overall revenue system some flexibility but they cannot be adjusted readily to meet new or rising requirements. Being voluntary, the flow of funds is entirely discretionary and unpredictable. The commitments are also extremely short-term as pledges are normally made for only one or two years in advance. Consequently, they provide little security or basis for effective planning and management of international actions requiring sustained, longer term efforts and programmes. For international environmental action, most of the limited funds provided so far have been through voluntary contributions, principally through UNEP and NGOs.

122. Given the limitations and constraints for current major sources and modalities for funding, it is now necessary and timely to consider options for additional resources and new sources and means for financing international action in support of environment and sustainable development on a more assured basis over longer periods of time. We recommend that serious consideration now be given to:

- * a new World Conservation Banking Programme or facility linked to the World Bank;
- * raising additional funds for international environmental protection and natural resource management programmes from new and more automatic sources of revenue.

8.2 A World Conservation Banking Programme or Facility

123. We propose serious consideration be given to launching a special World Conservation Banking Programme or facility linked to the World Bank, to supplement efforts by aid agencies, multilateral development banks and commercial banks. Some of the key purposes and functions of such a world conservation banking programme or facility would be:

- * to solicit funds from international banks in the private sector for the purpose of financing or even co-financing with the multilateral development banks and bilateral aid agencies conservation-oriented projects in developing countries;
- * to participate in the lease, purchase, development and management of environmentally important habitat and wildlife necessary to maintain or increase biological diversity;
- * to encourage and induce multinational companies, many of which have made major investments and have significant trading relationships with developing countries, to enter into conservation and sustainable development projects which could be financed or co-financed by the banks;
- * to provide a highly professional service as a facilitator between investors and/or donor and the recipient agency or country, and be a central point for exchange and communication between banks, NGOs and other interested parties, and government department of debtor nations;
- * to work in close co-operation with field staff of IUCN, other international bodies, local governments and local

and international NGOs, with a view to assisting with the identification of suitable projects and programmes; and packaging such projects and programmes and marketing them with investors.

124. The proposal for a World Conservation Banking Programme needs to be approached step by step, with systematic feasibility and case studies. We recommend that a meeting of interested representatives from the public and private sectors be convened to discuss and launch a major feasibility study.

8.3 New Sources of Revenue and Automatic Financing

125. The search for new and especially more automatic sources and means for financing international action goes almost as far back as the United Nations itself. However, it was not until 1977 when the Plan of Action to Combat Desertification was approved by the United Nations General Assembly that governments officially accepted the principle of automatic transfers. That Plan, which was never implemented, called for the establishment of a special account which could draw its resources from not only traditional services but also "additional measures of financing, including fiscal measures entailing automaticity".

126. Since then, there have been a series of studies relevant reports which identified and examined a growing list of new sources of potential revenue, including:

- * revenue from the use of international commons (e.g. from ocean fishing and transportation, from sea-bed mining, from Antarctic resources, from parking charges for geostationary communications satellites);

- * taxes on international trade (e.g. a general trade tax; taxes on specific traded commodities, on invisibles, or on surpluses in balance of trade; a consumption tax on luxury goods);
- * international financial measures (e.g. a link between special drawing rights and development finance; International Monetary Fund gold reserves and sales).

127. In its 1981 report the Brandt Commission called for raising additional funds from more automatic sources such as those cited above. In its follow-up report in 1983 the Brandt Commission strongly urged that these "most 'futuristic' of all the Report's proposals" not be lost completely from view. Nevertheless, they again sunk below the short-term horizon of the international agenda.

128. The World Commission on Environment and Development was specifically given the mandate by the United Nations General Assembly to look once again beyond that limited horizon. We have done so and, given the compelling nature, pace and scope of the different transitions affecting our economic and ecological systems as described in previous Chapters of our report, we consider that at least some of those proposals for additional and more automatic sources of revenue are fast becoming less futuristic and more urgent. This Commission particularly considers and recommends that the proposals regarding revenue from the use of global commons and natural resources now warrant and should receive serious consideration by governments and the United National General Assembly.

129. It is already a well established practice within most countries that those using public lands or resources pay a fee or rental (e.g. for extracting timber or minerals; fishing and hunting licences, etc..) or a

user-charge (e.g. national park entry fees, boating licences, etc.). In many cases this revenue is used for protecting and improving the same area or resource being used. Similar practices and charges for the use of global commons and natural resources should now be seriously considered. They are technically feasible, and the new Law of the Sea Convention includes provisions for generating revenue from and for the exploration and exploitation of sea-bed minerals. Others have not been put in place in spite of the fast increasing need for additional revenue for expanded international programmes for environmental protection and sustainable development. The principal obstacle is the lack of political will among states to do so.

130. Their reluctance is due in part to a concern that they may lose some of their authority over the budgets of international organizations. That need not and should not happen, as states should still retain their collective authority over how the additional revenue is allocated and spent. On the other side of the coin there is another fundamental and continuing concern that has been succinctly and graphically stated by Barbara Ward. After stimulating and leading the global environment debate through most of the 1970s, in one of the last articles written before her death she addressed the question of a new world system for generating additional revenue and concluded:

"No Nation has ever half way peacefully entered the modern world without a progressive income tax. We have no reason to suppose our small planet is any other condition. Automatic transfers must come. Otherwise we live on in an order of privilege and patronage. Such orders, as we know from history, simply do not last."

CORRIGENDUM

Chapter 12

Page 17, Second Line

After the word "also assume full operational" insert the words "responsibility within their own budgets for the following".

Page 31, First Line

Should read "sovereign right not to be polluted by other states while retaining the sovereign right to pollute other states".

Page 45, Section 7.2

Introductory text was deleted under 7.2 (instead of the first paragraph under 7.1). Add the following before paragraph 106 on page 45:

"The scientific community and a wide variety of non-governmental and citizen organizations have played a major part in the environmental movement from its earliest beginnings. Scientists were the first to point out evidences of significant environmental risks and changes resulting from the growing intensity of human activities. Other non-governmental organizations and citizen groups pioneered in the creation of public awareness of these issues and the political pressures which stimulated governments to deal with them. The role of the scientific and non-governmental communities in respect of the United Nations Conference on the Human Environment held in Stockholm in 1972 was an indispensable one.

This is true, too, of their continuing contribution to the follow-up of the Stockholm Conference, to the assessment of new evidence of environmental impacts, design and implementation of measures to deal with them and to maintaining the high degree of public and political interest required as a basis for action. Today, major national "State of the Environment" reports are now being done by some NGOs (e.g. Malaysia, India, U.S.A.). Among the international NGOs, several now produce major global reports on the status and prospects for the global environment and natural resource base, such as the annual "State of the World Report" by the Worldwatch Institute; the "World Resources Report" by IIED and the World Resources Institute; and the IUCN "World Conservation Strategy".

Geneva, 26 January, 1987

ANNEX
CHAPTER 12

PRELIMINARY OUTLINE AND MAIN POINTS
FOR A SPECIAL ANNEX

INTRODUCTION

1. The Commission's report sets out in Chapter 12 the priority thrusts and main lines for institutional changes in support of environmental protection and sustainable development. This special Annex is based entirely on them, but spells out in more detail a few additional and more specific proposals and options for strengthening inter-agency co-operation and concerted action for environmental protection and improvement, and to reinforce UNEP's role as the lead agency for this in the U.N. system.

PRIORITY TO GLOBAL ENVIRONMENTAL ASSESSMENT AND REPORTING

2. In our report we emphasized that UNEP can and should be the authoritative central source in the U.N. system for environmental monitoring, assessment and reporting, and for guiding the global agenda for scientific research and technological development for environmental protection. We therefore recommended that the monitoring, assessment and state of the environment reporting functions (Earthwatch) of UNEP should be significantly strengthened and accelerated, and should have priority over all other activities in the allocation of staff and financial resources now and through at least the 1990-95 Medium-Term Plan. We particularly stressed that The Global Environment Monitoring Systems (GEMS)

should be expanded as rapidly as possible and the development of the Global Resource Information Data Base (GRID) should be accelerated.

3. In addition, we recommend here that an authoritative and comprehensive report on the State of the World's Environment should be prepared and published under the authority of the UNEP Executive Director at least every fourth year. In the intervening years there should be special annual reports, each focused on a single critical environmental issue. The entire or most relevant sections of the annual report should be submitted to and discussed by the governing bodies of the respective U.N. organizations and agencies.

STRENGTHEN U.N. INTER-AGENCY CO-OPERATION

4. When UNEP was established in 1972, a key part of the institutional arrangements was the Environment Co-ordination Board (ECB), consisting of the heads or senior officers of the major U.N. organizations and agencies and chaired by the UNEP Executive Director. The ECB was abolished in 1977 and replaced by a committee of "Designated Officials on Environmental Matters" which has less senior representatives and, consequently has been less effective in securing inter-agency co-operation and action. As part of the renewed efforts to strengthen the U.N. and UNEP, we recommend that serious consideration be given to establishing a special and high-level inter-agency committee under the chairmanship of the UNEP Executive Director to discuss and agree on co-operative action on key environmental protection issues, and reporting to the proposed U.N. Sustainable Development Board and the UNEP Governing Council.

STRENGTHEN INTERGOVERNMENTAL CO-OPERATION

5. In our report, we emphasized that the UNEP Governing Council cannot fulfil its primary role of providing leadership and policy guidance in the U.N. system nor have a significant influence on national policies unless governments increase their participation and level of representation from the environment related ministries. We recommended that national delegations to future meetings should preferably be led by the Environment Ministers with their senior policy and scientific advisers.

6. We also recommended a more substantive and policy-oriented agenda, as too much of the limited time at UNEP Governing Council meetings has been spent discussing administrative and budgetary questions. We further recommend here that governments seriously consider giving primary responsibility for administrative and budgetary questions at and between Governing Council sessions to the Bureau or an expanded Bureau/Executive Committee and/or a representative Committee of Nairobi-based Permanent Representatives/UNEP Focal Points.

7. We also emphasized in our report the overall need for more closely associating and linking the governing bodies of key U.N. organizations and agencies. Under the present U.N. structure, this could be most appropriately done through ECOSOC, although that body has not yet manifested the capacity to carry out such responsibilities with a sufficient degree of effectiveness.

8. However, if U.N. member states commit themselves to the kind of changes in the functioning of ECOSOC required to enable it to carry out its functions effectively, ECOSOC could provide the forum within which the programmes and activities of the U.N. system related to sustainable development could be co-ordinated. This could be achieved, for example, by having ECOSOC meet in special session on key interrelated environment and development issues, with high level participation from both governments and the major U.N. organizations and agencies. Alternatively, UNDP's Governing Council and the governing bodies of the other organizations, which are subordinate bodies of the United Nations, could be reconstituted as committees of ECOSOC.

9. In the case of the UNEP Governing Council, if it is replaced by ECOSOC meeting in special session or by a special Committee of ECOSOC, we recommend that meetings still be held every two years at the level of Environment Ministers with their senior policy advisers and scientists, and with an agenda along the lines proposed in our report.

INCREASE THE FOCUS OF THE ENVIRONMENT FUND

10. In our report we recommended that the effective use and impact of the Environment Fund can be increased by refocusing the programme on fewer priority areas and activities. We also recommended that other U.N. agencies should now assume full and direct responsibility for some of present Environment Fund priority areas and activities and finance them entirely from their own budgets. The resources of the Environment Fund itself should then be concentrated on the principal functions and priority areas which we identified, and in particular on expanding Earthwatch.

11. UNEP's primary role should continue to be to exercise a catalytic influence on the programmes and projects of other international organizations, primarily in but also outside the U.N. system. However, we note that in 1976, two-thirds of the Environmental Fund was dedicated to projects carried out by other U.N. agencies and non-governmental organizations. However, by 1985 that proportion had declined by a third. In 1985, 44 per cent of the project expenditures from the Environment Fund was for internal projects by the UNEP secretariat (26 per cent) and by Programme Activity Centres (18 per cent). More than half of the balance was allocated for projects with only four other U.N. agencies (WHO, FAO, the U.N. Sahelian Office and UNESCO), one government (U.S.S.R.), and one non-governmental organization (IUCN). This trend should be reversed in favour of the U.N. agencies and non-governmental organizations.

UNEP AND UNCHS

12. The renewed commitment and efforts to improve the economy, efficiency and effectiveness of the U.N. will include consideration of possibly merging some of the existing governing bodies and their secretariats. In the case of UNEP and the UNCHS, there are special factors and considerations to be taken into account.

13. Human Settlements was one of the six priority areas discussed at the 1972 Conference on the Human Environment. On the recommendation of the Conference, the General Assembly decided later that year to establish a special U.N. Habitat and Human Settlements Foundation within UNEP, and to convene a major U.N. Conference on Human Settlements. That Conference was held at Vancouver in 1976 and led to the establishment of the U.N. Commission and the Centre for Human Settlements (UNCHS). In recognition of the need in the two organizations to

work closely together, the UNCHS was co-located with UNEP in Nairobi, and now even share the same premises and some common administrative services.

14. In addition, the 1977 General Assembly resolution establishing the UNCHS included other special measure for ensuring close co-operation between the two organizations. It made specific provision for both Executive Directors to participate in and address every meeting of the respective governing bodies, a practice which is still in place today. That resolution also created a unique and direct link between the two governing bodies, the UNCHS/UNEP Joint Bureau, which met annually to review and strengthen co-operation between the two organizations. However, at the initiative of the UNEP Governing Council, the Joint Bureau was abolished in 1985 and replaced by a report which is jointly prepared by the two secretariats and submitted to both governing bodies.

15. There are many similarities between environmental issues and human settlements problems. As repeatedly pointed out in our report, both have got significantly worse in the last decade. There is already a legacy and momentum built into environmental and urban trends that ensures both will worsen before we can make them better. Neither of the two is a distinct sector, and both have been largely ignored in the central economic and major sectoral policies and also been institutionally isolated from those agencies. the latter have never seriously attempted to be part of the solution for either environmental or urban problems and today are a major source of those problems. Early in the next century, the two problem areas will converge. The world's future is inevitably urban, and the most immediate environmental concerns of the majority of mankind will then be in and around urban settlements.

16. A successful transition to sustainable development means reversing the current trends of accelerating environmental degradation and urban decline, especially in developing countries. This will require new priority programmes for the better management of both the ecological basis and the urban engine of economic development. It will require in both cases getting at the real policy sources of the problems and tackling immediately the backlog of debilitating effects.

17. This double-barrelled challenge might be better tackled if the two organizations could be merged into a single United Nations Environment and Human Settlements Programme in a way which would preserve their distinctive functions and priority programmes while increasing their efficiency and effectiveness.

18. Some of the difficulties which would have to be taken into account include the fact that the UNCHS has a major operational role as a UNDP executing agent while UNEP has not. That direct technical assistance function is a dominant part of the UNCHS programme and budget. In 1985 alone, the UNCHS executed 150 human settlements projects in 80 countries with a value of over US\$ 15 million, with funds provided largely by UNDP.

19. Other difficulties could arise in merging the two governing bodies. For example, far more Housing Ministers and senior housing officials and policy advisers attend the UNCHS meetings than equivalent Environment Ministers and senior policy advisers for UNEP Governing Council sessions. Moreover, at the national level the Housing Minister often has a larger budget, staff and political profile and rank than the Environment Minister. Special consideration would therefore need to be given to ensure that the Housing Ministers and senior

officials did not dominate the discussions and the programming and budget decisions in the newly merged governing body.

20. However, as repeatedly pointed out throughout our report, the overriding concern is that the transition to sustainable development will require much greater and more effective efforts to reduce the environmental impacts of and in human settlements. If this can best be achieved by merging the UNCHS and UNEP, then it should be done. If not, then in addition to increasing support for the related work of both organizations, we propose the immediate development and launching of a major and special joint UNCHS/UNEP programme to assess and reduce the environmental impacts in and of human settlements.