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Round Table on Sustainable Development

CHAIRMAN'S SUMMARY NOTE OF THE 9 NOVEMBER MEETING OF THE ROUND TABLE ON SUSTAINABLE DEVELOPMENT

GLOBAL PUBLIC GOODS

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**The Sixteenth meeting of the Round Table on Sustainable Development at the OECD
was held at the International Energy Agency, Paris**

Tuesday 9 November 2004

The following is a short summary note, issued under the Chairman's responsibility of the discussion on 9 November. Please note, in keeping with Round Table procedures, a detailed note of the meeting will not be circulated

- There was broad agreement among participants that 'Global Public Goods' is a complex, difficult and often misunderstood concept. It was noted a positive understanding of the voluntary nature of international co-operation is central to work on this topic. Hence the need to identify what needs to be done at the global level both to create solutions and the political will to implement them. The importance of the work of the International Task Force in tackling these questions was acknowledged.

- **Treatment of Global Commons**
 - The background to the study carried out by the Secretariat of the International Task Force for Global Public Goods (GPGs) evaluating the institutions responsible for each of the GPGs identified by the group was presented. There followed a discussion of the United Nations Environment Programme (UNEP), which emerged as the weakest of the six international 'anchor' institutions examined.

 - Although it was stressed that UNEP had played a key role in launching negotiations and in acting as the secretariat to certain Multilateral Environmental Agreements (MEAs), there was broad agreement on the conclusions of the study.

 - The point was made that no independent evaluation of UNEP had ever been carried out, and that this was an essential precursor to any debate on this issue.

 - Perceived weaknesses of UNEP were as follows:-
 - Weakness related to a diluted mandate, caused by the fragmentation of the governance of the environment agenda into numerous agencies and specialist secretariats. It was noted that this did in some part reflect the diverse nature of environmental problems, each of which require different types of solutions.
 - A backseat role in the setting of the forward agenda of international action on the environment.
 - Financial weakness - there was broad agreement that a USD\$55million annual budget is insufficient if the organisation is to play a key role.
 - Weakness through competition from UN Commission on Sustainable Development (UNCSD) as the forum where the agenda is set. In order to strengthen UNEP it would be important to reassess CSD's mandate, and the relationship between the two organisations.
 - Weak expertise caused by problems recruiting into Nairobi.

 - It was noted that the continuing comparative weakness of UNEP reflected a certain political interest on the part of some countries in maintaining the status quo. It would be important for the international community to reach a consensus on what the role of UNEP should be. There was consensus that monitoring and surveillance, interpretation of results

and the subsequent proposal of policy options were core functions. Co-ordinating work done on the wide range of MEAs was important, as was capacity building within developing countries.

- It was noted that comparisons between UNEP and the World Trade Organisation (WTO), perceived as the stronger organisation, did not take into account the fact that WTO essentially manages bilateral trade agreements, making its capacity for enforcement much more powerful than an organisation dealing with global agreements.
- Participants were asked whether they believed there was any political willingness to create a **stronger environmental anchor institution**. Although the symbolic status of anchor institutions as a demonstration of political will in the relevant field was noted, the point was made that although relatively easy to create, international organisations are extremely difficult to close down. This argued in favour of caution in setting up anything new.
- The creation of a United Nations Environment Organisation was discussed. It was noted that this would require compulsory financial contributions, which would confer greater strength than current arrangements. Those in favour noted that it would be necessary to demonstrate to the international community that a new structure would represent value for money.
- There was a discussion as to whether a new overarching UN institution charged with looking across the range of economic, social and environmental issues would be desirable, or whether a reformed and strengthened ECOSOC would be an alternative. This latter proposition attracted little support.

➤ **Cross-cutting approach**

- A brief presentation was made of the background to the Secretariat's work looking across the six GPG areas under consideration, covering in addition to global commons, trade, knowledge, peace and security, financial stability, and control of infectious diseases.
- One draft recommendation made by the Secretariat proposed the periodic publication of a high-profile **GPG Monitoring Report**, designed to showcase performance of (i) the six institutional anchors and (ii) countries.
- The value of such an initiative was debated. It was noted that monitoring as an advocacy tool, prior to negotiations for an agreement was important, particularly in raising awareness amongst the international community and galvanising political support. Equally, the importance of monitoring implementation and compliance in each of the 6 GPG areas was stressed. There was some agreement that dealing transversally with all GPGs could be useful in providing a focus for international decision-making, and in getting GPGs onto the agenda of existing anchor organisations. Some enthusiasm for the creation of a small secretariat to manage this reporting was expressed, and on balance was deemed preferable to using existing anchor institutions to carry out this role.
- The point was made that introducing new terminology might be counter-productive and that issues dealt with under the rubric of GPG's could usefully be dealt with under the Sustainable Development agenda. This term has the benefit of implying a continuous

process and has also penetrated the public consciousness. Use of the concept of Global Citizenship was also discussed as a useful tool in raising public awareness of GPG issues.

- In addressing some of the political economy issues that prevent international agreement on tackling environmental problems, one draft recommendation of the Secretariat proposes the use of the **bundling** concept, with deals across a range of issues helping to shift the cost/benefit balance for participating countries. A discussion was held as to the value and practicalities of such a concept.
- There were some doubts as to whether such a scheme could be implemented in the environmental domain. It was noted that informal bundling occurs regularly during negotiations, and that to formalise this process might be counterproductive. Existing informal trade-offs, such as the linking of preferential trade agreements to compliance with MEAs by the European Commission were already proving effective. More generally, it was stressed that trade was a powerful bundling partner to a range of issues spanning the range of the GPG agenda.
- It was noted that the soft concept of bundling is embedded in the issue of financing. Identifying a core package to meet the needs of developing countries in order to enter into agreements across the range of GPGs would be important. It would then be necessary to evaluate funding levels.
- On the specific issue of **financing**, the model of the Multilateral Fund of the Montreal Protocol and the Global Environment Facility was discussed. This led on to a discussion of the value of taking forward proposals of the Secretariat for a GPG Financing Framework that would cover the policy and institutional costs of developing countries through bundling several GPG areas together. The Framework would be funded on the basis of burden-sharing, with contributions related to perceived global gains of each participating country.
- The desirability of including support for the GPG Financing Framework with Overseas Development Assistance (ODA) was debated. It was noted that in the OECD Development Assistance Committee, there was a precedent for classifying this type of funding separately, both in the context of support for the GEF and in other contexts. Such an approach highlighted the 'investment' aspects of the associated funding. Alternatively, it was also proposed that as few countries come near to meeting their ODA targets, counting GPG financing within the ODA framework might be helpful in focusing efforts on raising overall levels of ODA.
- It would be important to make a clear and strong case to the global community on financing needs. It was stressed that the required sums were not necessarily large, and that, as is often the case, what is needed is a financial catalyst to stimulate further investment.
- It was acknowledged that considerable groundwork would be required, first to communicate to the international community the conceptual framework of GPGs and the associated idea of global citizenship. An accountability mechanism would then be needed, leading onto the establishment of a financing mechanism.