

# TOWARD A BETTER BALANCE

Balance means making environmental decisions that foster ecosystem health, treat people fairly, and make economic sense. Global environmental trends show that we have yet to find this balance. Environmental governance still relies on government institutions whose missions and structures are ill-matched to the task of managing ecosystems and don't always acknowledge the importance of public participation or the need for equity. Private sector performance is likewise driven by short-term economic goals that often conflict with the long-term needs of the environment. Public transparency and accountability can help resolve this conflict, but are relatively new imperatives for most companies.

How do we move toward a better balance? At least five steps must define our drive for better environmental governance.



## Adopt Environmental Management Approaches that Respect Ecosystems

To match human needs with Earth's biological capacities, governance structures must adapt to the innate constraints of living systems. Ecosystems are the planet's primary biological units—the sources of all the environmental goods and services we rely on for life, and the ultimate foundations of the global economy. They must therefore become the ultimate points of reference for our environmental decisions. Such an ecosystem-level focus defines what we can call an “ecosystem approach” to environmental management (Young 2002:55).

An ecosystem approach includes explicit consideration of people's needs for food, shelter, employment, and all the varied economic and spiritual benefits we derive from nature. To accomplish this, social and economic goals must be integrated with biological information about the functions and limitations of ecosystems. Our environmental governance must provide the mechanism to negotiate this difficult integration—by giving each stakeholder a voice without losing track of what the ecosystem itself is saying about its capacity for alteration and human use. This means creating a forum where ecosystem science and monitoring can influence management goals and inform public input into environmental decisions. It demands an equal role for social science—tracking the social outcomes of decisions in order to maintain a focus on equity.

Making ecosystems the fundamental units of environmental management will require innovative approaches. One such approach is to promote decentralized management of natural resources, so that local stakeholders take a primary role in governing the ecosystems around them. Larger, regional associations—such as river basin authorities linking users across many jurisdictions—may also be useful. In practice, a variety of new institutional and economic arrangements will be needed to connect people with the ecosystems they depend on, to the benefit of both.

In Quito, Ecuador, for example, city water users pay a small fee into a special fund used to protect the watershed in the Antisana Reserve—the source of the city's water supply. This arrangement allows city residents to see themselves as stakeholders in a distant ecosystem who have decided to help manage and pay for the vital service the ecosystem renders. A similar plan, where downstream users elect to pay for upstream services, is being considered to help manage the watershed that feeds Panama City and the Panama Canal Authority (Zurita 2002).

On a much larger scale, the Mesoamerican Biological Corridor project links local community planning efforts with management of protected areas in the seven Central American countries along the corridor route. The project seeks to find economic uses of the land that will also help maintain its ecological richness—activities such as low-intensity agriculture and forestry. The plan effectively combines regional

ecosystem-based goals with a decentralized, community-based approach to landscape management.

Restoration of the Chesapeake Bay on the East Coast of the United States demonstrates that managing a regional resource in a complex social setting can require a battery of governance innovations, such as new partnerships among government agencies and community organizations, new economic incentives, and a new role for science. The Chesapeake's enormous watershed spans 4 states and over 1,600 individual communities. With the help of a citizens' advisory board and a panel of science advisors, state agencies and the federal government have forged a common set of Bay restoration goals and biological benchmarks to measure their progress across all jurisdictions. Each state has pursued its own regulatory approach to this Chesapeake Bay Compact, as the regional agreement is called. These approaches include tax incentives, land use restrictions, and harvest limits on fish and shellfish. Meanwhile, a number of local nongovernmental organizations (NGOs) have played important roles in helping farmers, fishermen, and Bay communities embrace the effort and actually carry out much of the restoration work (WRI et al. 1996:74; Chesapeake Bay Program 2003).

These examples suggest the governance innovations possible with an ecosystem approach to environmental management. In some cases, adopting ecosystem-level management practices will mean reconfiguring existing agencies or creating new institutions and relationships that better reflect ecosystem realities. This need not mean wholesale abandonment of the centralized model of most state agencies, which will continue to fulfill important coordinating, monitoring, or oversight functions. But it does imply more flexibility to assign discretionary powers to other levels in order to match management structures to ecosystems.

Sound knowledge is also needed to support decision-making at the ecosystem level. In response, government agencies and other environmental management organizations could support data collection consistent with an ecosystem approach, or pool data from different organizations to get a comprehensive economic and environmental picture of the whole ecosystem.

## Build the Capacity for Public Participation

Reformulating our natural resource management to respect ecosystems requires vigilant application of the principles of access and participation. In this context, public participation means not only wide access to information and direct participation in decision-making, but also effective representation, judicial redress, and other mechanisms that enable meaningful, democratic environmental governance.

Managing ecosystems inevitably involves trade-offs among different ecosystem uses. For instance, a forest can be managed to maximize timber and pulp production through intensive harvesting, but only by trading off some of its



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potential to support biodiversity, agroforestry, or nature-based tourism. Public participation—at the appropriate level—provides the best means to negotiate such trade-offs equitably and to make sure the goals that drive the day-to-day actions of natural resource agencies reflect the priorities of the community of stakeholders.

Too often, however, government agencies, private businesses, NGOs, and the media fail to play their parts in promoting transparent and inclusive decision-making. Even where the political will is present, public participation is hampered by these institutions' lack of capacity to supply relevant information, coordinate the public input process, and digest the results. At the same time, the public often doesn't know its rights to environmental access or how to use them, and doesn't understand the full context of the decisions that affect their lives. Both problems require attention.

A first step is to make sure that public institutions recognize, as part of their core missions, the need to build the capacity for public participation. That means committing staff and budget resources for training and outreach to ensure that opportunities for access are clear and straightforward. It also means committing to build basic environmental literacy among the public, as in South Africa, where the government incorporates environmental education programs into public school curricula and adult education programs (Petkova et al. 2002:107).

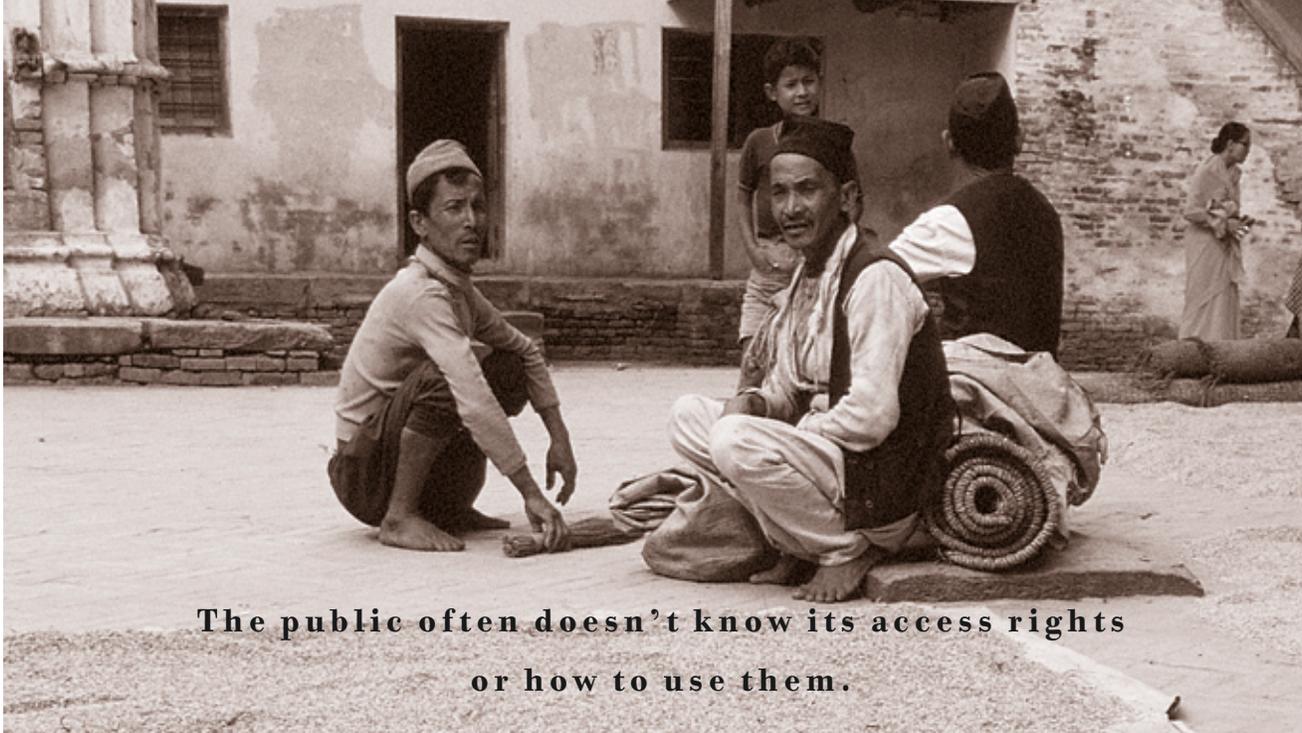
Decentralizing natural resource management is another way governments can empower citizens and increase public participation in the decisions that affect them most. Care must be taken however, to devolve power to local institutions in a way that actually benefits natural resources and favors democratization. That requires, first and foremost, that governments transfer authority only to those bodies that are accountable at the local level. But it also requires a commitment to strengthen local institutions by providing technical expertise, training in skills like land use planning and

resource mapping, guidance in participatory methods at town meetings, and support for the inclusion of women and other underrepresented groups. Instituting minimum environmental standards to guide local resource decisions may also be necessary to make sure these actions do not compromise larger environmental goals.

One important way governments can build public capacity for participation in environmental decision-making is to provide good foundations for the growth and maturation of NGOs and other civil society groups. This means strengthening their rights of access to information through freedom of information laws, and recognizing their right to represent their members in whatever forum decisions are being made. It also requires recognizing—and funding—the ability of NGOs to respond quickly to community needs and provide services the government can't efficiently provide. Empowering civil society groups as environmental stewards thus means more than just official tolerance—it implies active support for partnerships among these groups, government agencies, and businesses.

Nonetheless, as civil society groups gain in influence, they must practice the same good governance principles of transparency and accountability they demand of governments and businesses. These include openness about funding sources, operations, goals, and accomplishments. NGOs that purport to advocate in the public interest should take care to maintain contact with the communities they serve through public consultations, newsletters, and formal progress reports and financial statements that foster accountability. Only when NGOs are transparent and accountable to their constituencies can they effectively facilitate participation.

For the business community, facilitating public participation starts with support for and compliance with regulations governing information disclosure. Companies can go further by adopting corporate codes of conduct that recognize community interests, following clear environmental reporting processes that make data publicly available, and establishing



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community liaisons. As guardians of transparency, media companies should adopt their own ethical codes of conduct, report all their lobbying activities, and disclose commercial ties that could influence their editorial decisions.

Building capacity for more effective public participation is a critical first step toward better environmental governance, but not one that is sufficient in and of itself.

### **Recognize All Affected Stakeholders in Environmental Decisions**

Who should have standing to influence decisions affecting an ecosystem or negotiate for rights to ecosystem goods and services? Traditionally, the parties with influence and access have been few, creating public tension, local resistance to decisions, and a grossly unequal distribution of burdens and rewards. A commitment to building the capacity for public participation must include broadening the definition of who the “affected public” is. Public acceptance of environmental management decisions—and greater fairness in those decisions—will only emerge if a broader approach to environmental standing takes root.

One useful model might be the “rights and risks” approach recently put forward by the World Commission on Dams to guide decisions on large dams that affect a wide array of stakeholders. In this approach, anyone holding a right (such as a water right) or facing a risk from a proposed action (such as displacement by a dam) must have the opportunity to participate in the decision-making process. This includes not just those who reside in the affected ecosystem, but also those who depend on or value that ecosystem, no matter where they live. It is also important to recognize the standing of those who can speak for the ecosystem itself—whether they be scientists, natural resource managers, or members of an environmental or recreation-focused NGO.

As governments begin to broaden their conceptions of standing, civil society’s role in representing the public inter-

est in decision-making takes on greater significance. It is imperative to remember that civil society is not monolithic, but wildly diverse. It may be appropriate to seek the input of several different groups in a participatory process, since a single NGO, labor union, or neighborhood group rarely reflects the pluralism of public opinion. For example, the World Commission on Dams included representatives from three different categories of civil society on its Advisory Forum—indigenous groups, public interest advocacy groups, and environmental groups. This was intended to reflect the diversity of stakeholders in the dam debate (Dubash et al. 2001:7).

### **Integrate Environmental Sustainability in Economic Decision-Making**

Many of today’s environmental impacts originate in decisions about economic development, trade, and investment—decisions outside the traditional “environment” sector. To make progress in reversing environmental decline, governments and businesses—not just natural resource agencies—must accept environmental sustainability as a principal mandate. That means assessing how each policy and investment strategy will affect equity and the environment.

Examining the equity and environmental impacts of privatization, for example, could bring immediate benefits. Governments privatize responsibility to deliver water or provide electric power largely for reasons of economy and efficiency. But they must also make sure to transfer responsibility for environmental stewardship and equitable service as they cede control over these essential tasks. Contracts should be structured to require or reward saving water, generating green power, extending service to low-income areas, and other beneficial practices. This same principle must apply when governments grant forest, mining, grazing, or other resource concessions to private interests.

Some companies are already exploring ways to integrate environmental objectives into their businesses. Fully incor-

porating “sustainability” into business thinking will take time, but embracing standardized procedures for measuring environmental performance—and relating this to financial and social performance—is a critical first step. Only by evaluating this data against social norms and their own expectations can companies effectively guide their investments in sustainable business practices. The Global Reporting Initiative offers one well-accepted framework for this kind of performance measurement, including a combination of guiding principles and core indicators that companies can use to prepare “sustainability reports.” A growing list of the world’s major corporations have accepted the Initiative’s voluntary guidelines, which emerged from consultations among businesses, advocacy groups, accounting bodies, trade unions, and investor groups.

Negotiating forums such as the World Trade Organization (WTO) and financial institutions such as export credit agencies must also adopt environmental sustainability as a guiding principle. This means that they must explicitly recognize environmental protection as a critical factor in trade and investment policies, making sure these policies do not undermine current international environmental agreements and national environmental laws. Greater transparency and participation in these institutions’ internal decision-making practices, which are now largely hidden from public view, will also be important.

The WTO’s current negotiating round, called the Doha round, may make a start at greening global trade rules. Negotiators have promised to look into reconciling trade rules with international environmental treaties, and to address environmentally harmful subsidies that also interfere with trade, such as fishery and agricultural subsidies. Global economic growth increasingly depends on trade—so the WTO has a special responsibility to ensure that the rules are crafted in a way that builds environmental responsibility and equity into the world’s economic engine.

### **Strengthen Global Environmental Cooperation**

Efforts to manage environmental impacts and develop sustainable systems for Earth’s future suffer from a lack of coordination at the global level. This is evident in the nearly 200 international environmental treaties that exist independently, and in nations’ uneven efforts to implement Agenda 21, the Rio Summit’s plan of action for achieving sustainable development. The community of nations also lacks a strong central institution to carry the environmental agenda forward—nations have shown little interest in embracing a World Environment Organization, or similar institution with executive and enforcement powers. Nevertheless, improved integration of environmental efforts is possible even within the array of existing treaties and institutions.

Stressing the link between poverty and environment will be important in strengthening global environmental gover-

nance. Global support for environmental activities is enhanced whenever they coincide with poverty eradication goals like those established by the UN Millenium Declaration. Integration of the precautionary principle and the ecosystem approach into national development plans and environmental treaties is likewise an essential part of making global environmental governance more effective.

One first step in this process is to increase the global commitment to environmental monitoring and threat assessment. Science-based assessments by the Intergovernmental Panel on Climate Change, the Millennium Ecosystem Assessment and others have set the stage for global consensus on urgent environmental problems, and can also guide national development onto more sustainable paths. Through an integrated approach that looks across ecosystems, using predictive models and scenarios, these assessments show the effects of different land use patterns, energy strategies, and regulatory regimes on national well-being. Increased commitment must translate not only into regular funding for environmental assessments, but also into involvement by nations in their design and conduct, so that the results will be seen as valid and useful at the national level.

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A second step in improving global environmental coordination will be a concerted effort to harmonize and strengthen international environmental treaties. These agreements represent our collective will to address environmental challenges jointly, and embody the primary legal obligations to carry out this will. Harmonizing these treaties entails exploring the complementarity between them, identifying where greater coordination of obligations, action plans, and financing could bring heightened impact and reduced administrative costs. Strengthening environmental treaties involves negotiating meaningful benchmarks for progress and firm deadlines for attaining them. These will be meaningless, however, without standard monitoring protocols to measure progress, robust enforcement mechanisms to encourage compliance, and mechanisms for settling disputes among signatories. The Montreal Protocol’s success in reducing emissions of ozone-depleting gases, for example,

depended strongly on careful monitoring and well-enforced national initiatives (GEF 2002:15–16). Existing regional entities such as the European Union (EU), the Organization of American States (OAS), and the Association of Southeast Asian Nations (ASEAN), or new organizations, such as river basin authorities, may be useful in helping to implement and monitor agreements.

The United Nations Environment Programme's mandate is to provide an institutional home for coordinated action on the environment. However, fulfilling this mandate requires more adequate funding and a clearer framework for its role as coordinator. Strengthening the Global Ministerial Environmental Forum, UNEP's forum for deliberation among national environment ministers—perhaps by expanding the Forum's work to include ministers from outside the environment sector (Hyvarinen and Brack 2000:56)—could be one way to accomplish this. The Commission on Sustainable Development (CSD) could also serve as an institutional focal point for global environmental action, if it were transformed from a forum for policy and political debate to a mechanism for monitoring and enforcing accountability for government commitments. Over the long term, however, other institutional options for better global environmental governance should be explored.

No matter how governments decide to strengthen global environmental institutions, greater use of multi-stakeholder processes to give voice to civil society and business and build consensus on contentious issues will be key. Institutionalizing such processes in the CSD and other environmental bodies is an important first step. But multi-stakeholder processes must also be improved to more effectively facilitate interaction between governments and other stakeholders. Useful changes might include clearer rules on selection of participants, fuller integration into official conference agendas, creative facilitation to ensure that real dialogue takes place, and,

perhaps most important, accountability mechanisms to ensure that the results are taken seriously by governments.

Civil society's role in global environmental governance is not limited to participation in multi-stakeholder processes. Indeed, such processes are just one vehicle for their involvement. NGOs can also provide objective information and new ideas, and hold governments, through media and political action, accountable for their commitments. Doing so effectively requires strong global civil society coalitions that bring together NGOs from the North and the South as well as from non-environmental interest areas, such as global justice.

Finally, global environmental governance can be strengthened by improving the financial mechanisms that underlie the present system. The Global Environment Facility has proven a useful mechanism for supporting implementation of environmental treaties and piloting innovative approaches, but its resources are dwarfed by those channeled through other public and private sources. Accordingly, mainstreaming the objectives of environmental sustainability into the decision-making of public and private development finance is important, as are new mechanisms to respond to environmental needs.

The principle of Common but Differentiated Responsibility, which enshrines the idea that nations differ in their capacity to respond to international environmental threats and to finance obligations under environmental treaties, was a key outcome of the Rio Earth Summit. It calls upon developed economies with greater means and higher consumption levels to do more, at least initially, to meet global environmental challenges. It also obligates high-income nations to help developing nations increase their capacity to comply with environmental agreements. This approach has worked well in such treaties as the Montreal Protocol to address ozone destruction, but has been one of the main stumbling blocks in negotiations on the Kyoto Protocol to control green-



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## Better Governance for Sustainable Ecosystems

*Adopt Environmental Management Approaches that Respect Ecosystems.* Make ecosystems the fundamental unit of environmental management and governance.

*Build the Capacity for Public Participation.* Increase the public's environmental literacy and ability to give useful input into environmental decisions. Increase the government's willingness and capacity to deliver environmental information and digest public input.

*Recognize All Affected Stakeholders in Environmental Decisions.* Broaden the definition of who can participate in environmental decisions to include all affected parties.

*Integrate Environmental Sustainability in Economic Decision-Making.* Incorporate sustainability into the mandates of agencies, businesses, and financial institutions beyond the usual environment and natural resource sectors.

*Strengthen Global Environmental Cooperation.* Harmonize and strengthen environmental treaties. Increase the global commitment to environmental monitoring and threat assessment. Enhance civil society's consultative role at the international level. Increase funding to implement global environmental commitments.

house gas emissions. At the recent World Summit on Sustainable Development in Johannesburg, many nations offered only tepid or conditional endorsement of this principle. Though contentious, this principle remains a powerful tool to address questions of equity at the global level. Reaffirming this would seem an important precursor to joint action.

## Decisions for the Earth

Governance is on the global agenda today as never before. As democratic movements flourish and NGOs awaken to new activism, issues of transparency and fairness have come into sharper focus. This is true in the environmental arena as well. In fact, there is growing dissatisfaction with environmental governance in countries around the world. A 2000 Gallup International poll found that in 55 of 60 countries surveyed, the majority of people thought their governments were doing too little to address environmental issues. "Corrupt" and "bureaucratic" were the two most common descriptions people used to characterize their governments. Corporate governance has also come under greater fire as globalization gains momentum, with increasing calls for a global agreement on corporate accountability.

At the same time, global consensus has emerged on the basic principles of good environmental governance: access, participation, transparency, appropriate scale, and an ecosystem basis. These elements form the basic toolkit for environmentally empowered and educated citizens—the most potent driver for better environmental decisions.

The future lives in the decisions we make now. Moving toward greater transparency and accountability in our decision-making, toward more participation and equity in our environmental choices, is the way we make better decisions for the Earth.

## Recommendations

In the following sections, we bring together recommendations and other opportunities for action drawn from this volume as a whole. These recommendations amount to an action summary that can improve environmental governance and decision-making.

### Opening Up Access

How can we improve access to information, participation, and justice?

#### *Government agencies can:*

- Support independent assessment and monitoring of government performance in applying the access principles.
- Continue efforts to establish the legal framework for access, and to elaborate these laws in well-defined administrative procedures.
- Specify which classes of information are in the public domain and which are confidential, in order to reduce administrative discretion in releasing information.
- Introduce common reporting standards for industrial facilities and procedures for public access to facility-level reports.
- Establish mechanisms for public notice and comment on projects and policies beyond the narrowly defined "environmental" arena.
- Extend participation procedures into the earliest phases of the decision-making cycle, as well as into the implementation and review stages.
- Broaden the interpretation of "the public" and "legal standing" to allow legal challenges by public interest groups and citizens who may not be able to prove direct harm.
- Invest in training judges and other officials to ensure that they are familiar with rapidly changing laws related to environmental rights.

- Create favorable conditions for the formation and activities of public interest groups and media outlets.
- Implement their commitments to improved access under the Rio Declaration, Agenda 21, and the WSSD Plan of Implementation, as well as under related provisions in global environmental agreements and regional instruments such as the Aarhus Convention.

***Civil society organizations can:***

- Undertake independent assessments and regular monitoring using a framework of governance indicators such as The Access Initiative framework.
- Collaborate with government and other stakeholders to identify gaps in national practices of access and to set priorities for action.
- Stimulate and channel public demand for access to information, participation, and justice.
- Build their own capacity, and the capacity of the communities they live in, to access the public participation system.

***Media outlets can:***

- Investigate and call attention to lapses in performance by governments in providing access.
- Provide high-quality coverage of environmental issues and a forum for diverse views on environmental decisions.

***Donor agencies can:***

- Support continued improvement of an indicator framework for national assessments, and mechanisms for exchange of best practices.
- Provide financial, institutional, and political support for development of national public participation systems.
- Support capacity building on both the “demand” and “supply” sides.
- Model best practices of information disclosure, participation, and accountability in their own operations.

***International environmental treaties and trade agreements can:***

- Incorporate provisions mandating best practices of information disclosure, participation, and accountability with regard to obligations carried out under the treaty or agreement, and in on-going deliberations on the treaty.

**Enabling Civil Society**

How can we create a climate conducive to civic organizing and the inclusion of NGOs and other civil society groups in environmental decision-making?

***Governments can:***

- Enact or strengthen freedoms of expression and association.
- Eliminate or simplify laws governing NGOs and other civic groups, including removing barriers to registration, eliminating burdensome reporting requirements, and dropping limits on NGO longevity.
- Remove restrictions on Internet and press freedoms.

***Civil society organizations can:***

- Embrace the same policies of accountability and transparency that they advocate for governments and corporations, including openness about their funding, operations, purposes, goals, and accomplishments.
- Participate in NGO networks to increase communication among themselves and share successful practices.
- Join in consensus-building coalitions of NGOs that maximize their voice and increase their influence in public decision-making and multi-stakeholder processes.
- Foster greater contact with and accountability to the communities they serve through public consultations, newsletters, and formal progress reports.
- Work with the media to encourage more and higher quality environmental reporting, including the presentation of issues in greater depth, and from more perspectives.

***Donors can:***

- Increase NGO access to communications tools such as the Internet as a source of environmental empowerment.
- Support capacity building for NGOs, with particular attention to developing the ability of smaller groups to fund-raise, build coalitions, and develop relationships at the grassroots level.

**Greening Corporate Environmental Performance**

How can we encourage corporations to factor the environment into their business strategies and respond to local concerns about their environmental practices?

***Corporations can:***

- Embrace voluntary environmental disclosure practices, including environmental auditing and sustainability

reporting. Using standardized formats such as the Global Reporting Initiative guidelines can increase the credibility of such reporting and its usefulness to shareholders, communities, and the companies themselves.

- Work to quantify the financial benefits (as opposed to just the costs) of corporate environmental programs, thus advancing the business rationale for these programs to company managers and shareholders.
- Establish company liaisons or ombudsmen to the communities in which they are located in order to respond to local concerns.
- Encourage their chains of suppliers and distributors to adopt sustainable manufacturing or extraction practices, green disclosure practices, and sensitivity to community concerns.
- Pursue corporate philanthropy that promotes employee awareness of the environment-business connection, builds employee capacity for better environmental choices, or mitigates environmental impacts caused by their business activities.

#### ***Industry trade groups can:***

- Support laws and regulations that reward companies for superior environmental performance.
- Formulate industry guidelines and codes of conduct—including enforcement mechanisms and training programs to increase compliance—to encourage good environmental practices among their members.
- Actively participate in and endorse environmental labeling and certification schemes that increase consumer information and choice.
- Promote industry-wide disclosure, transparency, and community-engagement practices.
- Participate in civil society efforts to forge consensus around new corporate performance norms.

#### ***Governments can:***

- Require companies to publicly report on emissions in key areas by establishing Pollutant Release and Transfer Registries (PRTRs), or publicly rate companies' pollution mitigation efforts in order to highlight their environmental performance.
- Require companies to disclose environmental liabilities such as hazardous material use, toxic waste disposal, or environmental restoration costs (for extractive indus-

tries) to make it easier for investors to assess a company's potential environmental risks and thus increase incentives for improved performance.

- Send the right economic signals to companies by removing or modifying government subsidies for water, fishing, energy exploitation, mining, pesticide use, and other environmentally harmful activities.

#### ***Consumers and shareholders can:***

- Make use of environmental labels and certifications to purchase products whose harvesting, extraction, manufacture, or disposal is environmentally sound, thus rewarding good corporate environmental performance.
- Introduce resolutions at shareholder meetings to raise the profile of environmental concerns among top company management and encourage environment-friendly policies and investments.

#### ***NGOs can:***

- Act as industry watchdogs by compiling, analyzing, and publicizing corporate environmental performance data.
- Initiate certification and labeling schemes to guide consumer purchase of sustainably manufactured, harvested, or extracted products.
- In concert with industry, detail best practices necessary to achieve environmentally benign products or to receive green product certification.
- Partner with corporations to identify targets for corporate environmental philanthropy and to design ecosystem-friendly land management practices on corporate manufacturing and office sites.

### **Encouraging Decentralization that Supports Sustainability**

How can governments and communities develop appropriate decentralized systems for natural resource management?

#### ***National decision-makers can:***

- Create local elected bodies, and give them a mandate to define local natural resource priorities within the state's overall framework for sustainable development.
- Strengthen the local capacity for governance and natural resource management by providing training for local government staff in key skills such as budgeting, revenue collection, conducting town meetings and other local consultations, land use planning, and mapping and cataloging the local environmental resource base.

- Reorient state extension agencies to provide services to local people in response to needs and concerns articulated directly by the people and their local representatives, or restructure them to be accountable to local elected authorities.
- Create positive incentives for good local government performance and sound resource management, such as awards for innovative programs and targeted budget allocations for demonstrated delivery of services.
- Require local elected and administrative authorities to practice transparency in their operations and budgeting procedures.
- Educate citizens on their right to be represented, the services they should expect from local authorities, their responsibility to participate in local decisions, and how they can hold local officials accountable.
- Develop and apply standardized measures of service delivery and community satisfaction to assess local governance

## Box 9.1 New Collaborations: The Partnership for Principle 10

One of the themes of the World Summit on Sustainable Development was the power of collaboration across stakeholder groups, both to build consensus on the way forward, and to implement the sustainable development agenda on the ground. Multi-stakeholder processes such as the World Commission on Dams have demonstrated that representatives of constituencies with widely different perspectives can find common ground on contentious issues. Local efforts to implement Agenda 21 around the world have demonstrated the ability of businesses and civic groups to collaborate with government agencies to share responsibilities for environmental protection and stewardship of natural resources.

One initiative unveiled at the Summit—the Partnership for Principle 10 (PP10)—is specifically aimed at improving conditions for good environmental governance at the national level. Principle 10 of the Rio Declaration, adopted by 178 nations at the Earth Summit in 1992, commits national governments to an inclusive process of public participation in environmental decisions. The Partnership, formed a decade after Rio, is an effort to help nations live up to this commitment to good governance. It provides a common forum for governments, civil society organizations, donors, and other groups to design and implement practical strategies to enhance citizen access to environmental information, participation, and justice (the access principles).

The Partnership builds on the work of the Access Initiative (see Chapter 3), which has designed a framework of governance indicators to assess how well nations have translated Principle 10 into action. The first requirement of the Partnership is to support such national assessments of public access. Once NGOs have independently assessed a nation's performance using the Access Initiative framework or another acceptable method, the Partnership's work begins in earnest. Partners work together to plan, finance, and carry out projects tailored to each country's need as identified in its national assessment. That may mean financing the development of a new public information system, committing to a

program to enhance environmental literacy, or designing a training program to help public employees encourage and properly digest input from advocacy and neighborhood groups.

The Partnership for Principle 10 is targeted to the range of groups actively involved in environmental governance:

- *Civil society groups* interested in applying The Access Initiative's framework for assessing government performance on the access principles.
- *Governments* (including national and local agencies) interested in collaborating with civil society groups to improve access to information, participation, and justice.
- *Donors* interested in providing development assistance for the Partnership itself and for independent assessment and capacity building at the national level.
- *International institutions* interested in promoting the access principles in their own operations as well as through their engagements with member governments.

### Commitments, Not Rhetoric

The Partnership for Principle 10 is built around a set of shared commitments. These serve as a statement of the Partnership's values and principles and set the parameters for the scope of work of the Partnership.

By joining the PP10, all partners commit to support the accelerated and enhanced implementation of Principle 10 at the national level and in their own policies and practice related to access to information, public participation, and justice by:

- Encouraging credible and independent assessments of policies and practice using a framework of indicators—such as those developed by the Access Initiative—to identify strengths and weaknesses in implementation;

statewide and help local governments identify gaps in their performance.

- Increase the voice of traditionally marginalized groups, such as women and the poor. This may include reserving seats in local decision-making bodies or creating separate opportunities to solicit their input.
- Ensure that the authority over resources exists at the appropriate ecosystem level (e.g., the watershed) so that

the impacts of different land uses and development activities can be assessed and managed in an integrated manner. If this results in the formation of a new institution, such as a regional river basin authority, ensure that this institution is accountable to governments at different levels, including the local level.

- Institute minimum environmental standards to guide local resource decisions and to make sure these decisions conform to statewide environmental laws.

- Collaborating with partners and other stakeholders to improve policies and practice by prioritizing opportunities and implementing programs to strengthen capacity and enhance performance;
- Developing individual specific commitments and being accountable for them.

Specific commitments could include:

- *For governments:* developing a new Freedom of Information Law; training judges and lawyers on environmental procedural rights; developing a new public legal aid program for environmental laws and regulations; crafting procedures to introduce public participation earlier in the decision-making cycle; developing environmental education programs; developing and implementing Pollutant Release and Transfer Registers.
- *For nongovernmental organizations:* repeating a national-level assessment every two years; contributing to the Access Initiative process of refining access indicators and assessment methods.
- *For governments and NGOs together:* committing to engage in a process of consultation and dialogue to identify priorities and develop joint activities, such as training courses for government officials responsible for providing environmental information or conducting environmental impact assessments.
- *For donors:* providing a specific level of funding to support the Partnership itself or to support capacity building in specific countries.
- *For international institutions:* mainstreaming activities that support the access principles in their country offices; adopting internal policies specifying transparent and accountable practices, as well as mechanisms for public participation, in all the institution's activities.

Progress toward meeting these commitments must be measured regularly and reported to all partners and to the general public. Commitments should be achievable within a specified time period, and are expected to differ depending on the kind of organization and the income level of the country where they are located.

Joining the Partnership for Principle 10, then, is one way groups of all calibers can work locally to advance open and equitable decision-making.

Members of the Partnership include governments, international organizations, and national and international NGOs. World Resources Institute is the acting Secretariat. As of April 2003, PP10 members included:

- Governments: Chile, Hungary, the European Commission, Italy, Mexico, Sweden, Uganda, and the United Kingdom
- International Organizations: IUCN—World Conservation Union, the United Nations Development Programme, the United Nations Environment Programme, and the World Bank
- Nongovernmental Organizations: Advocates Coalition for Development and Environment (Uganda), Corporación Participa (Chile), Environmental Management and Law Association (Hungary), European Environmental Bureau (EU), Recursos e Investigación para el Desarrollo Sustentable (Chile), Thailand Environment Institute, The Access Initiative—Mexico, and World Resources Institute (USA)

PP10 also allows potential partners to obtain observer status. Observers include the Government of Thailand, the South Africa Environmental Justice Network Forum, the Swedish Society for Nature Conservation, and the International Network for Environmental Compliance and Enforcement.

New partners continue to join PP10, please visit our website at [www.pp10.org](http://www.pp10.org) for a complete list of current partners.

- Strengthen or accelerate the creation of a justice system that is independent and accessible to the general public.
- Make sure contracts for privatizing environmental services such as water provision also contain clauses conferring the responsibility to meet minimum environmental standards, to work within an accepted framework of sustainable development, and to deliver services equitably. Contracts awarding logging, mining, or grazing concessions should contain similar commitments to environmental stewardship and equitable service.

#### **Local officials can:**

- Commit to transparency in operations and budgeting, and make sure that opportunities for public participation are well-advertised.
- Identify which households or groups in the community find it difficult to participate in the consultative process and make special efforts to facilitate their participation.
- Collaborate with adjacent jurisdictions to manage trans-boundary ecosystems.

#### **Communities can:**

- Demand accountability from their local government representatives.
- Mobilize to articulate common goals for local development.
- Enlist NGOs or community groups to carry out independent monitoring of nearby forest, mining, and other concessions to discourage corruption and increase the community's voice in how these concessions are managed.
- Promote positive exchange with other communities regarding natural resource issues of common concern.

### **Better Global Environmental Governance**

How can we build better global institutions that catalyze collective action on the environment and foster sustainable national development?

#### **Governments can:**

- *Remember the poverty-environment link.* Prioritize environmental activities that restore or mitigate the loss of resources that the poor most depend on, such as in rural areas, on marginal lands, or in informal periurban settlements. Achievement of the Millennium Development Goals will represent a key milestone in realizing sustainable and equitable development.
- *Commit to comprehensive monitoring.* Enhance the capacity for global environmental monitoring and scientific

assessment of environmental trends, including their interlinkages and probable impacts on ecosystems as well as on national food supplies, economies, and settlements.

- *Implement the "Precautionary Principle."* Reaffirm the "Precautionary Principle" of applying caution to environmental decisions where environmental risks are uncertain, but carry potentially large costs. Commit to applying this approach when configuring national development plans and crafting international environmental treaties.
- *Adopt an "Ecosystem Approach."* Use ecosystems as the fundamental unit of natural resource management and governance at the local, regional, national, and international levels. Incorporate ecosystem thinking—framing threats and responses in terms of how they affect the delivery of ecosystem goods and services—into negotiations on current and future environmental treaties.
- *Strengthen and harmonize environmental agreements.* Strengthen international environmental agreements (treaties and protocols) with deadlines for significant progress, robust enforcement mechanisms to encourage compliance, competent monitoring protocols to assess progress, and binding mechanisms for dispute resolution. Harmonize and coordinate the action plans of these treaties and streamline their administration. Ensure that trade and environmental agreements are mutually supportive.
- *Enable institutional leadership.* Provide the United Nations Environment Programme with a clearer and stronger framework for its current coordinating role and adequate funding to pursue this role. Reorient the CSD to serve as a monitoring and accountability mechanism for government commitments.
- *Build and support regional mechanisms.* Support existing regional institutions or design and implement new regional mechanisms such as river basin authorities, and, where appropriate, devolve monitoring and implementation functions to such regional bodies.
- *Make decision-making inclusive.* Strengthen multi-stakeholder processes—where stakeholders of all stripes are included in decision processes—so that civil society groups can effectively participate at the international level in setting environmental priorities, specifying the terms and timelines for international action, and crafting environmental treaties.
- *Hold business and industry accountable.* Promote corporate responsibility and accountability by developing and

implementing intergovernmental agreements, international initiatives, public-private partnerships, and appropriate national regulations.

- *Pursue new partnerships.* Join in partnerships with civil society groups and businesses to achieve well-defined environmental objectives. Such partnerships should magnify the efforts of governments, rather than substitute for a lack of government commitment.

#### **NGOs can:**

- *Provide objective information.* Advise governments on environmental issues by identifying, assessing, and disseminating scientific and other relevant information.
- *Build coalitions.* Pursue coalitions with each other and with like-minded stakeholders to increase their leverage on governments. Priority attention should be given to expanding alliances with NGOs from developing countries and with social movements engaged in global justice work worldwide. In appropriate cases, as in the case of climate change, working with business and industry on a common objective can yield enormous political and practical benefits.

#### **More Transparent Finance**

How can multilateral development banks, export credit agencies, and private international financial institutions make their investments transparent and promote good governance practices among loan recipients?

#### **Multilateral Development Banks can:**

- Articulate information disclosure rules for project planning documents and environmental assessment reports, permitting external parties such as NGOs and public interest groups to track project decisions.
- Open to the public the process of developing “country assistance strategies” or other national development plans that determine how development aid is allocated, as well as institutional policies and strategies that determine how assistance is conditioned.
- Establish mechanisms such as ombudsmen or formal dispute procedures to address and resolve complaints by civil society groups and communities that are affected by project loans and investments.
- Relax the application of blanket confidentiality rules on loan negotiations and dispute settlements to create a more transparent decision-making process.
- Finance structural adjustment and sectoral adjustment loans in ways that encourage a broad agenda of good governance reforms and transparency practices in client nations.

#### **Export Credit Agencies can:**

- Adopt a set of common environmental guidelines for Export Credit Agency (ECA) investments that include robust transparency, disclosure, and public participation standards. These could include:
  - Annual disclosure of project details (including company, location, financing amount and vehicle) at the level of individual transactions;
  - Publicly disclosing environmental assessments and screening exercises;
  - Allowing periods for public comment on pending financing decisions;
  - Requiring project environmental assessments to include consultation with governments and potentially affected populations;
  - Communicating mitigation measures adopted;
  - Reporting basic environmental indicators for projects receiving ECA support.

#### **Both Multilateral Development Banks and Export Credit Agencies can:**

- Commit not only to “do no harm” to the environment through their policies and lending, but to prioritize investments that will positively benefit the environment. For example, Export Credit Agencies can expand their support for energy efficiency and renewable energy projects rather than funding investments that put countries on paths toward fossil fuel dependency.
- Consider the implications of financing decisions on global systems, such as biodiversity and climate, in addition to local environmental impacts at project sites. For example, international financial institutions should collaborate with other stakeholders to agree on mechanisms for assigning responsibility for the carbon emissions resulting from individual transactions.

#### **The World Trade Organization can:**

- *Reconcile environment and trade.* Recognize environmental protection as a shaping factor in global trade policies. In the short term, this means acting with dispatch and openness on the environmental agenda set forth in the current round of WTO trade negotiations (the Doha round). Specific measures include:
  - Granting observer status at the WTO to the UN Environment Programme and to the secretariats of international environmental treaties.

- Incorporating the precautionary principle into WTO rules, allowing countries to apply national standards higher than the lowest common denominator of international standards in the health and environmental arenas.
- Granting favored trade status to environmentally beneficial technologies such as clean energy technology.
- Permitting the use of eco-labels or certifications for environmentally benign products and services, while building the capacity of developing countries to take advantage of this new market opportunity.
- Acting to reduce environmentally harmful subsidies that also interfere with trade and sustainable development, such as fishery and agricultural subsidies.

- *Adopt transparent and inclusive processes.* Commit to transparent and open processes in the manner of the multilateral development banks, including better public disclosure practices, a more transparent dispute resolution process, and consultation with civil society groups.

***Private International Financial Institutions can:***

- Adopt information disclosure and environmental assessment procedures consistent with international norms.
- Adopt investment policies with strong environmental criteria to ensure that their investments support sustainable development.

