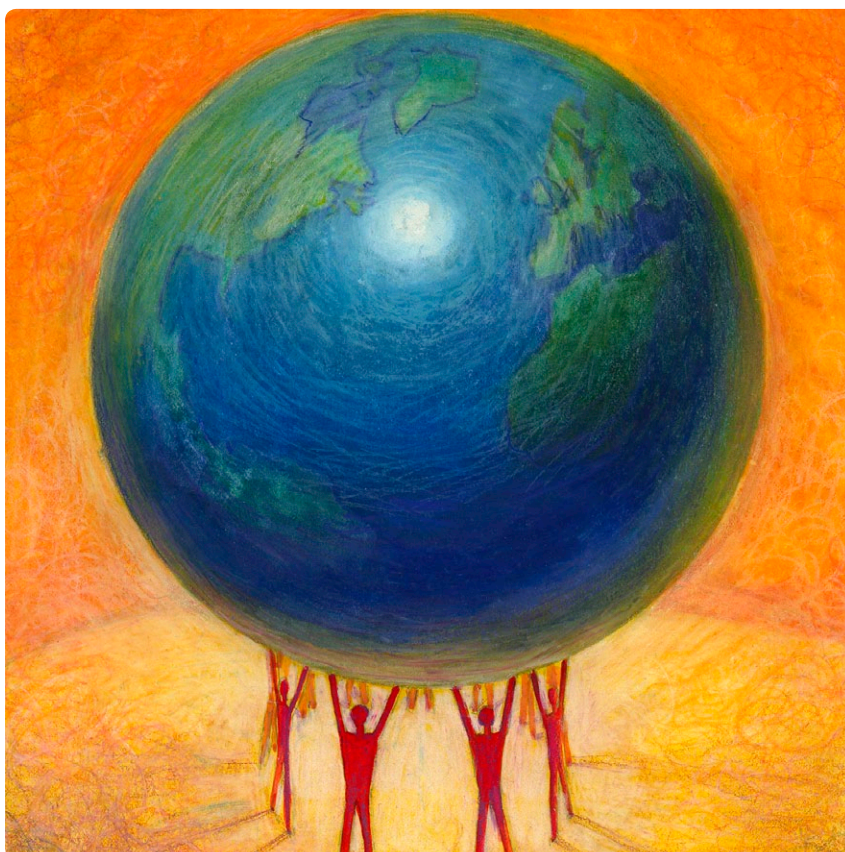
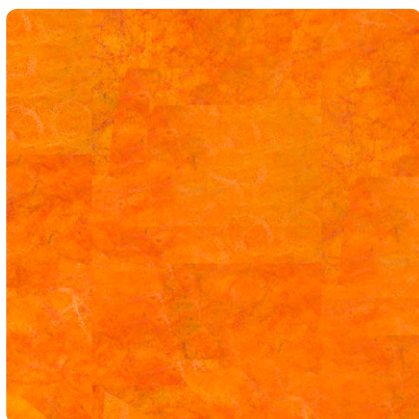
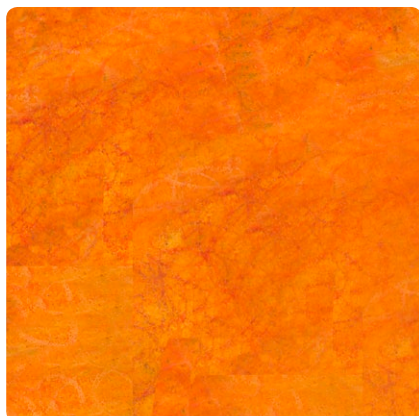


The role of governance for improved environmental outcomes

REPORT 6514 • SEPTEMBER 2012



The role of governance for improved environmental outcomes

Perspectives for developing countries and countries in transition

20 June 2012

Gunilla Ölund Wingqvist, Olof Drakenberg, Daniel Slunge,
Martin Sjöstedt, Anders Ekbohm

SWEDISH ENVIRONMENTAL
PROTECTION AGENCY

Orders

Phone: + 46 (0)8-505 933 40

Fax: + 46 (0)8-505 933 99

E-mail: natur@cm.se

Address: CM Gruppen AB, Box 110 93, SE-161 11 Bromma, Sweden

Internet: www.naturvardsverket.se/publikationer

The Swedish Environmental Protection Agency

Phone: +46 (0)10-698 10 00 Fax: +46 (0)10-698 10 99

E-mail: registrator@naturvardsverket.se

Address: Naturvårdsverket, SE-106 48 Stockholm, Sweden

Internet: www.naturvardsverket.se

ISBN 978-91-620-6514-0

ISSN 0282-7298

© Naturvårdsverket 2012

Electronic publication

Cover photo: Scanpix

Preface

Good management of natural resources and the environment is of fundamental importance for poverty reduction and sustainable development. However, implementation of environmental legislation (including multilateral environmental agreements) and other environmental measures is often quite weak in many developing and transitional countries.

There is now a growing consensus emphasising that governance has a strong effect on environmental actions and outcomes. Rule of law, citizen's rights of access to information, public participation and equal access to justice is a basis for poverty reduction and sustainable development.

The aim of this study is to elaborate on how environmental agencies can support enhanced implementation of environmental legislation (including MEAs) and other environmental measures in developing/transition countries through promoting environmental governance.

The report is financed through a research grant from the Swedish Environmental Protection Agency and performed by Gunilla Ölund Wingqvist, Olof Drakenberg, Daniel Slunge and Anders Ekbom, at Centre for Environment and Sustainability, GMV, Chalmers/ University of Gothenburg, and Martin Sjöstedt, Department of Political Science, University of Gothenburg. The work was supported by a stakeholder group at the Swedish Environmental Protection Agency consisting of Ylva Reinhard, Lotten Sjölander, and Maria Nyholm.

The views expressed in this report are those of the authors and do not necessarily represent the views of SEPA.

June 2012

Ulrik Westman, Head of International Cooperation Unit
The Swedish Environmental Protection Agency

Contents

PREFACE	3
ACKNOWLEDGEMENTS	4
LIST OF ABBREVIATIONS	6
LIST OF BOXES, TABLES AND FIGURES	7
SUMMARY	8
1 INTRODUCTION	11
1.1 Background and purpose	11
1.2 Governance	13
1.3 Enabling environment for environmental management	16
2 ENVIRONMENTAL GOVERNANCE AT DIFFERENT LEVELS	20
2.1 International level environmental governance	20
2.2 National level environmental governance	22
2.3 Sub-national level environmental governance	27
3 GOVERNANCE AND ENVIRONMENT – THE LINKAGES	29
3.1 The accountability chain	29
3.2 Transparency and resource rents	31
3.3 Participation and service delivery	34
3.4 Integrity and Ecosystem Services	35
3.5 Environmental management can improve governance	38
4 ISSUES TO CONSIDER FOR ENVIRONMENTAL AUTHORITIES AND INTERNATIONAL COOPERATION	40
4.1 Key governance aspects in bilateral or multilateral development cooperation	41
4.2 Key governance aspects related to international environmental agreements	46
5 CONCLUSIONS	49
REFERENCES	52
ANNEX 1. LIST OF INTERVIEWED EXPERTS	58
ANNEX 2. UN SYSTEM ORGANISATIONAL CHART	59

List of abbreviations

CBD	Convention on Biological Diversity
CSO	Civil Society Organisation
DBSA	Development Bank of Southern Africa
DPSIR	Driving Forces-Pressures-State-Impacts-Responses
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
GDP	Gross Domestic Product
GEF	Global Environmental Facility
IBP	International Budget Partnership
IDP	International Development Partner
IWRM	Integrated Water Resource Management
LDC	Least Developed Countries
LGA	Local Government Authority
MEA	Multilateral Environmental Agreements
MRV	Monitoring, Reporting and Verification
NAMA	Nationally Appropriate Mitigation Actions
NAPA	National Adaptation Programmes of Action
NGO	Non-governmental Organisation
NRM	Natural Resource Management
OBI	Open Budget Index
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PES	Payment for Ecosystem Services
REDD+	Reduced Emissions from Deforestation and Forest Degradation
SEA	Strategic Environmental Assessment
SEPA	Swedish Environmental Protection Agency
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	UN Framework Convention on Climate Change

List of boxes, tables and figures

Boxes

- Box 1 GDP of the poor
- Box 2 Key principles of good governance
- Box 3 A Snapshot of donor and NGO support to the environment sector in Mali
- Box 4 Tracking climate finance flows in South Africa
- Box 5 Extractive Industries Transparency Initiative (EITI)
- Box 6 Transparency in oil rich Angola
- Box 7 Stakeholder participation for improved service delivery in Nigeria
- Box 8 Integrity, deforestation and REDD-plus – the case of Indonesia
- Box 9 Corruption increasingly a high-risk and low-reward activity in Indonesia
- Box 10 When other systems fail: environmental action through the courts
- Box 11 Supporting environmental constituencies in Moldova
- Box 12 Strengthening country ownership for environmental integration in plans and budgets
- Box 13 Addressing integrity issues before they happen

Tables

- Table 1 Typical challenges for environmental management in developing and transitional countries, and associated problems and risks
- Table 2 Internal and external aspects to strengthen environmental governance
- Table 3 Three levels of capacity development
- Table 4 Selected questions to determine effectiveness while improving environmental governance
- Table 5 Selected questions to improve efficiency while advancing environmental governance
- Table 6 Example of questions to improve environmental outcomes under MEAs and international negotiations

Figures

- Figure 1 Good governance involves multiple actors
- Figure 2 Comparison of six different governance indicators for four countries
- Figure 3 Fragmented implementation of externally financed environmental projects
- Figure 4 The political context of environmental policy making
- Figure 5 Input and output side of national governance systems
- Figure 6 Direct and indirect accountability relationships

Summary

Climate change and escalating environmental degradation risk becoming key constraints to economic growth and human development. Poor women and men in developing and transitional countries are disproportionately affected by pollution, land degradation and other environmental problems due to high dependence on natural resources and high exposure to risks. Managing the environment is important for the well-being of all citizens, particularly for the least well-off. There has been progress in terms of policies and creation of environmental authorities and international environmental commitments. However, there is a growing gap between the environmental commitments made and the actual implementation to improve environmental outcomes.

Environmental policy design is embedded in a political context with multiple actors and interests. In many cases measures that strengthen important human rights principles, such as the rule of law, transparency and public participation, may be equally or more important than specific environmental policies or projects in order to improve environmental management. It is increasingly recognised that technical solutions to environmental problems are not sufficient to obtain sustainable development. Instead, there is a growing attention to the importance of governance to manage the wide range of environmental challenges and impacts.

The *purpose* of the report is to explore the linkages between governance and the implementation of environmental legislation (including multilateral environmental agreements) and other environmental measures. The report is intended as a source of information and inspiration to individuals and organisations working with environment and development. It attempts to demystify the concept of governance and show how greater attention to specific governance aspects can help improve environmental outcomes.

The report is divided into three parts: one theoretical part providing an overview of research on linkages between environmental governance at different levels (international, national, sub-national) and environmental outcomes. The second part provides examples of the linkages between the environmental implementation challenge and different governance aspects, particularly transparency, participation, integrity and accountability. The third part highlights issues to consider for environmental authorities in developed countries interacting directly or indirectly with environmental authorities in transition or developing countries through development cooperation or multilateral environmental agreements.

The work has been performed as a desk study, with an extensive review of research literature and assessment reports, as well as interviews with a number of experts.

The report presents the following key conclusions:

Governance aspects need to be considered when aiming at improving implementation of environmental legislation and other environmental measures.

There is a growing consensus emphasising that governance aspects have a strong effect on environmental actions and outcomes. Measures that strengthen important human rights principles such as the rule of law, transparency and public participation may be equally or more important than specific environmental policies or projects in order to improve environmental outcomes. Improving environmental outcomes is thus not only dependent on legal frameworks and the capacities of the environmental authorities and sector ministries, but also largely on external factors that provide the ‘enabling environment’.

Good governance is needed to manage large flows of environmental and climate change finance. The urgency of addressing the environmental challenges, particularly related to climate change, and the associated large flows of funds that are envisaged as a response to these challenges, provide additional arguments for the need of good governance. Large flows of financial resources, coupled with an imperative to spend, can create conditions prone to corruption. Good governance is acknowledged as an important factor to prevent social ills such as corruption, social exclusion, and lack of trust in authorities.

Fragmented international governance frameworks are badly suited for addressing the implementation deficit. While several international agreements as well as non-legally binding instruments are in place, each agreement deals with specific environmental issues. The national action plans developed in line with the different international agreements are often poorly implemented, project oriented and not well integrated in national or sectoral planning and decision-making processes. Ownership can be strengthened by linking environmental outcomes to developing and transition countries’ priorities, such as economic development, poverty reduction or job creation. Furthermore, the international environmental financing is often supply-driven and fragmented, and the funders are seldom aligned with the developing or transitional country’s national systems e.g. for planning, monitoring and budgeting. The need for a bottom-up approach is increasingly recognised, where governments are accountable to the citizens. For improved implementation, country systems need to be strengthened, and the international environmental governance system more efficient.

Factors related to corruption, impartiality and government effectiveness are influential to reach positive environmental outcomes. Poor women and men, who often bear the heaviest costs of environmental degradation, tend to be dispersed and weakly organised in comparison to interests benefitting from the current – often unsustainable – growth path. Where, for instance, vested interests work against reforms for controlling industrial pollution or deforestation, there are often also weaker constituencies, such as affected communities, unions and environmental organisations, pushing for reform implementation. Accountability mechanisms, such as ensuring the rights to access information, public participation and access to

an impartial justice system, are essential for enabling these constituencies to demand environmental improvements. Efforts to improve environmental policies must go hand in hand with efforts to reduce corruption if they are to have the intended effects. Improved accountability, transparency, public participation and integrity can reduce the risk for corruption and create trust and legitimacy which facilitates implementation of different policy instruments.

Environmental governance is cross-cutting, relates to international, national, and sub-national levels, and involves many actors. Global governance mechanisms are needed to address global challenges. However, implementation at national and sub-national level must be led by the developing and transitional countries themselves. While the public sector has a key role in the formulation and implementation of governance mechanisms, such as policies and regulations, the active participation of many other actors, free flow of information, accountability and integrity are crucial aspects for improved environmental outcomes. The important governance role of communities and other actors in between the state and the market are increasingly recognised. Many countries have decentralised natural resource management for enhanced community level participation, transparency and strengthened accountability. However, with decentralised responsibilities must follow sufficient resources - for instance information, training and financing - needed to carry out the new functions.

Context specific analysis is needed to identify key governance bottlenecks and priority interventions for environmental management. There are a wide range of potential environmental governance mechanisms, and the specific circumstances in each country will determine what needs to be strengthened and in what order. Example of context specific conditions that vary greatly are financial resources, monitoring capacity, government effectiveness, integrity of the judicial system, voice and accountability, as well as public awareness on environmental and development risks and opportunities. A context specific analysis will help identifying the steps that are possible to take to improve governance in the short, medium and long term. Improving governance is a process, and each step can be important.

Environmental authorities in OECD countries can help raise attention to broader governance issues for better environmental outcomes. There is a large need for improved capacity for environmental management. As participants in international negotiations and actors in international development cooperation, environmental authorities influence frameworks and approaches. When involved in development cooperation, a broad governance perspective should be used during identification of capacity strengthening needs. Furthermore, governance tools such as participation and transparency should be considered as means to reach intended results while promoting governance more broadly. When contributing to international environmental frameworks, opportunities to promote the use of country systems for planning, budgeting and monitoring should be explored.

1 Introduction

1.1 Background and purpose

The environment matters greatly for people living in poverty, and the poor are most affected by environmental degradation due to their vulnerability, high dependence on natural resources, and low capability to cope with external shocks, such as floods and droughts. The poor are also commonly exposed to higher risks such as unsanitary living conditions, often in marginal land, and high-risk vocation. The environmental degradation is increasing and risks affect the preconditions for human development. Research related to Planetary Boundaries¹ identifies nine earth system processes that, if transgressed, could cause unacceptable environmental change with large and uncertain impacts on humans. The boundaries in three systems (rate of biodiversity loss, climate change and human interference with the nitrogen cycle) have already been exceeded (Rockström et al, 2009).

Protecting the environment, for instance through mainstreaming environment into development plans and implementing environmental legislation and other environmental measures, is important for human development, poverty reduction and long term economic growth (Box 1). It can furthermore contribute to improved gender equality, as women in developing and transition countries are found to be more dependent on common property resources and more vulnerable to the negative externalities of natural resource degradation (Hallegatte et al., 2011). The importance of good environmental management is amongst others acknowledged by a number of multilateral environmental agreements (MEA) under the UN-system.

Box 1. GDP of the poor

Ecosystems are of tremendous importance to the livelihoods of poor, particularly rural, households and the poor are disproportionately affected by depletion of ecosystems and their services.

This ecosystem dependency of the poor is not well reflected in the most common development indicator: the GDP. While accounting for a mere 10-20% of GDP, ecosystem services account for as much as 50-90% of the 'GDP of the poor' (i.e. the total source of livelihood of rural and forest-dwelling poor households).

Source: TEEB, 2010

Sustainable development depends, in part, on the policy, institutional and legal framework related to environment as well as on the implementation capacity. Alt-

¹ The planetary boundaries define the safe operating space for humanity with respect to the Earth system and are associated with the planet's biophysical subsystems or processes. The concept of planetary boundaries includes the following nine earth systems processes stratospheric ozone layer; biodiversity; chemicals dispersion; climate change; ocean acidification; freshwater consumption and the global hydrological cycle; land system change; nitrogen and phosphorus inputs to the biosphere and oceans; and atmospheric aerosol loading (Rockström et al., 2009).

though there is scope for improvement, the basic legal and policy framework are often in place in developing and transitional countries. The major challenges are related to effective implementation of the existing framework (including MEAs)². The gap between what is decided and actually implemented to improve environmental outcomes is called the implementation gap (or deficit). The implementation gap is particularly evident at the sub-national levels (OECD, 2007).

Traditionally this implementation gap in developing countries has mainly been explained by a lack of technical and financial capacities among young environmental agencies in combination with the low political priority given to environmental aspects (OECD, 1999). Support has been provided to identify the driving forces, which increase or mitigate pressures on the environment, and to identify responses to reduce negative environmental impacts. However, the responses have often been restricted to the environmental sector, sometimes with limited results. The importance of institutions and governance for implementation is increasingly understood (e.g. Ostrom, 2005; World Bank, 2003).

There is now a growing consensus emphasising that governance has a strong effect on environmental actions and outcomes. Rule of law, citizens' rights of access to information, public participation, and equal access to justice is a basis for poverty reduction and sustainable development (UN, 2012). Weak governance is correlated with negative environmental outcomes and is closely associated with social ills such as corruption, social exclusion, and lack of trust in authorities. Good governance, on the other hand, has the potential to regulate and enforce environmentally sound policies and, as such, to steer individuals and societies into productive outcomes and sustainable use of the environment. Improved governance, combined with pro-poor legal frameworks and processes, may be powerful instruments contributing to poverty reduction and sustainable development.

The *purpose* of the report is to explore the linkages between governance and the implementation of environmental legislation (including MEAs) and other environmental measures. The report is intended as a source of information and inspiration to individuals and organisations working with environment and development. It attempts to demystify the concept of governance and show how greater attention to specific governance aspects can help improve environmental outcomes.

The report is divided into three parts: one theoretical part, one part providing examples, and the final part is more of a practical guidance.

² Sometimes there is a distinction made in the literature on multilateral environmental agreements between implementation (referring to actions parties take to make a treaty operative in their national legal system); compliance (adherence to treaty provisions and upholding the spirit of the treaty); enforcement (methods available to force states to comply and implement MEAs); and effectiveness (the effect of the treaty as a whole in achieving its objective). These are conceptually useful distinctions, but in the context of this report we refer to implementation as the sum of implementation, compliance, enforcement and effectiveness (Najam, et al., 2006.)

Part 1: Chapter 1 introduces the reader to the subject, the concept of governance, the importance of the enabling environment for environmental management, and the purpose of the paper. Chapter 2 provides a literature review and discusses how environmental governance at different levels (international, national, sub-national) is linked to environmental outcomes.

Part 2: Chapter 3 provides examples of the linkages between the implementation challenge and different governance aspects, particularly transparency, participation, integrity and accountability. Examples and lessons learned from developing and transition countries are used to illuminate in what way governance aspects are relevant for environmental outcomes. The opportunity of utilising environmental management as an entry point to improved governance in general is also touched upon.

Part 3: Chapter 4 is the more practical section from the perspective of an environmental authority. The section highlights issues to consider for environmental authorities in developed countries, interacting directly or indirectly with environmental authorities in transition or developing countries through development cooperation or multilateral environmental agreements. This section aspires to stimulate a discussion on if and how more attention to governance aspects can help reduce the implementation gap and improve environmental outcomes.

The work has been performed as a desk study, with an extensive review of research literature and assessment reports, as well as interviews with a number of experts (listed in Annex 1).

1.2 Governance

Although there is not yet a strong consensus on how to define ‘governance’, the concept is generally used to describe how power and authority are exercised and distributed, how decisions are made, and to what extent citizens are able to participate in decision-making processes. Hence, governance is about making choices, decisions and trade-offs, and it deals with economic, political and administrative aspects. Good governance (sometimes referred to as ‘democratic governance’) aims at ensuring inclusive participation, making governing institutions more effective, responsive and accountable, and respectful of the rule of law and international norms and principles. The UN states that:

“Good Governance promotes equity, participation, pluralism, transparency, accountability and the rule of law, in a manner that is effective, efficient and enduring.”³

³ <http://www.un.org/en/globalissues/governance/>

The key principles of good governance, listed in Box 2, are consistent with the most important human rights principles. Good governance will minimise risks for corruption, or the abuse of entrusted powers for private gains.

Box 2. Key principles of Good Governance

Effectiveness and efficiency – Processes and institutions should produce results that meet needs while making the best use of resources.

Responsiveness – Institutions and processes should serve all stakeholders and respond properly to changes in demand and preferences, or other new circumstances.

Coordination, integration and coherency - Governance should enhance and promote coordinated and holistic approaches to effectively integrate several policy and institutional areas and a multitude of stakeholders. Policies and actions must be coherent and consistent, strive towards the same goals, and be easily understood.

Rule of law and impartiality – Legal frameworks should be fair and enforced impartially, with equity and in a non-discriminatory way. All citizens, irrespective of gender, religion, sexuality, ethnicity, and age, are of equal value and entitled to equal treatment under the law, as well as equitable access to opportunities, services and resources. All people in society should have opportunities to improve or maintain their well-being.

Accountability – Decision-makers in government, the private sector and civil society organisations, should be responsible for executing their powers properly and be accountable to the public for what they do and for how they do it.

Transparency – Is built on the free flow of information in society. Processes, institutions and information should be directly accessible to those concerned.

Participation – All men and women should have a voice, or through legitimate intermediate institutions representing their interests, in decision-making and the development and implementation of policies and programs that affect them. Such broad participation is built on freedom of association and speech, capacities to participate constructively, as well as national and local governments following an inclusive approach.

Integrity – Behaviours and actions consistent with a set of moral and ethical principles and standards, embraced by individuals as well as institutions, creating a barrier to corruption.

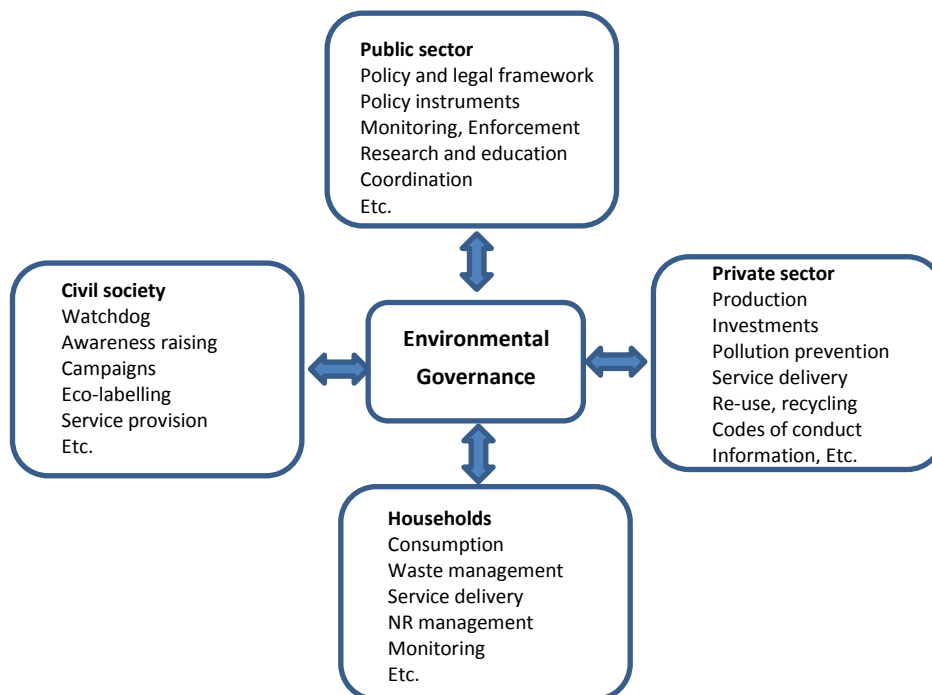
Source: UNDP 2010a; Transparency International 2009; WWDR 2006; UNDP 1997;

Environmental governance is a specific form of the broader ‘governance’, and refers to processes and institutions through which societies make decisions that affect the environment. It often includes a normative dimension of sustainability (deLoë et al. 2009). Environmental governance is primarily about how to reach environmental goals, such as conservation and sustainable development, and how decisions are made. It can be measured by the effectiveness of strategies and initia-

tives implemented to achieve environmental goals (Jeffrey, 2005). Participation of stakeholders including minority groups, access to information, adequate funding, transparency and accountability, are crucial aspects of achieving good environmental governance.

Global environmental governance can be seen as the organisations, policy instruments, financing mechanisms, rules, procedures and norms, which regulate the process of global environmental protection (Najam et al., 2006).

Figure 1. Good governance involves multiple actors



Source: Based on Slunge and Ölund Wingqvist, 2011

Environmental governance touches virtually all different aspects of the public sector, from setting the rules of the game, to prioritising environmental measures and allocating resources. However, governance is not equal to government; it involves multiple actors and is inherently complex and cross-cutting. While the public sector has a key role in the formulation and implementation of governance measures, such as strategies and regulations, the civil society and private sector also have important roles and responsibilities for environmental governance. Two common examples of such governance mechanisms are the watchdog-function of civil society to demand accountability, and corporate social responsibility initiatives (Figure 1).

Given the many different perspectives of what good governance encompass, the good governance agenda can be seen as being unrealistically long and overwhelm-

ing for countries entering this road⁴. However, achieving good governance is a process, and can be introduced step-wise according to needs, priorities and abilities. Furthermore, environmental management can be utilised to strengthen overall governance aspects through providing entry points for participation, transparency, accountability, and the building of trust and legitimacy (see also section 3.5).

1.3 Enabling environment for environmental management

Environmental authorities in developing and transition countries face many similar challenges, such as competition for scarce budgetary resources, limited access to the policy agenda and resistance from parts of the society. When environmental issues are given low priority and there is a lack of understanding about linkages between environmental sustainability and high priority goals, such as economic growth, energy access, health and poverty reduction, there is a risk that uninformed decisions negatively influence livelihood opportunities or long-term economic growth. Furthermore, high levels of corruption, lack of transparency and low levels of participation may constrain the outcomes of the environmental efforts that in fact are made. Table 1 lists some typical challenges to environmental management and associated risks, generally found in developing and transitional countries.

Table 1. Typical challenges for environmental management in developing and transitional countries, and associated problems and risks

Tentative challenge	Associated problems and risks
Environment is low priority	- Lack of human and financial resources - Low support from political leaders
Weak understanding of environment-poverty-development links.	- Environment is perceived as a barrier to other development objectives (e.g. growth, job opportunities, etc.) - Uninformed decisions may obstruct sustainable development
Weak rule of law, high corruption risk, low transparency and lack of participation	- Implementation of environmental legislation is likely limited - Natural resource rents not used for the common good - Voice and rights of vulnerable groups are not respected - Lack of information obstructs accountability
Weak environmental authorities primarily financed through external, project based, funding	- Project proposals based on international rather than national priorities. - Project management rather than strategic governance, - By-passing of country systems - Accountability mainly to external financiers rather than to citizens.
Cross-sectoral coordination low	- Incoherent and uncoordinated policies - Overlaps and gaps in responsibilities

Source: Authors, based on OECD 2012; and Slunge and César, 2010.

⁴ Grindle, 2004

It should be emphasised that these are stylised examples and that the country context may differ substantially. Similarly, some of the characteristics may also be relevant in developed countries.

Often, the environment is more affected by policies and decisions outside the confines of the environmental authority, than by internal policies. For instance, policies related to irrigation affect water resources, mining affect pollution and access to land, and inaccessible court systems affect environmental justice. Improving environmental outcomes is thus not only dependent on the capacities of the environmental authorities, but also largely on external factors – the ‘enabling environment’ (see Table 2).

Table 2. Internal and external aspects to strengthen environmental governance

Environmental authorities (internal aspects)	Enabling environment (external aspects)
Policy development (policies, laws, regulations, policy instrument)	Knowledge and information about the importance of environment and climate change
Policy implementation (inspection, compliance and enforcement)	Environmental management is a prioritised policy issue
Research and assessment (research, evaluation, environmental information systems)	Environmental regulations with clearly defined responsibilities
Environmental integration (sector responsibility, producer responsibility)	Horizontal and vertical communication Rule of Law, low corruption
Operational support (organisational development, human resources, finance and accounting)	Access to information, public participation, accountability Environmental constituencies demanding improved environmental management

Source: Drakenberg and Slunge, 2011.

Distinguishing between governance mechanisms that are primarily within the confines of environmental authorities, and mechanisms that are external to these authorities can be useful in order to identify priority measures. Should, for instance all efforts be targeted towards environmental policy development? Or would it be more beneficial to improve the rule of law and accountability to get to terms with the implementation deficit? There are no obvious answers, but it points towards the need to consider giving greater attention to the enabling environment for environmental management.

As mentioned previously, improving governance is a complex endeavour. In order not to end up with long action plans or wish lists it is necessary to prioritise and sequence the efforts; to think hard about *what* needs to be done, *when*, *how* and *by*

whom. Identifying which are the most important governance measures for improved environmental outcomes requires a situation-specific analysis and the results are highly dependent on the country or local context.

Figure 2 illustrates the large variety between different countries related to a set of governance indicators (Kaufmann et al., 2010), highlighting the need for country specific analyses of what needs to be done and where the weakest parts of governance can be found. The governance indicators are: voice and accountability⁵; political stability and absence of violence/terrorism⁶; government effectiveness⁷; regulatory quality⁸; rule of law⁹; and control of corruption¹⁰. A comparison is made between Sweden, Vietnam, Ukraine, and Tanzania. Although, the data should be treated with care as it involves uncertainties and builds on statistical compilations of responses from a large number of stakeholders, which makes a comparison between different countries uncertain, it does provide an indication of certain governance aspects in different settings. Systems and structures that are taken for granted in some countries are not as well developed in others.

⁵ Voice and accountability: Reflects perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media (Kaufmann et al., 2010).

⁶ Political Stability and Absence of Violence/Terrorism: Reflects perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism (ibid).

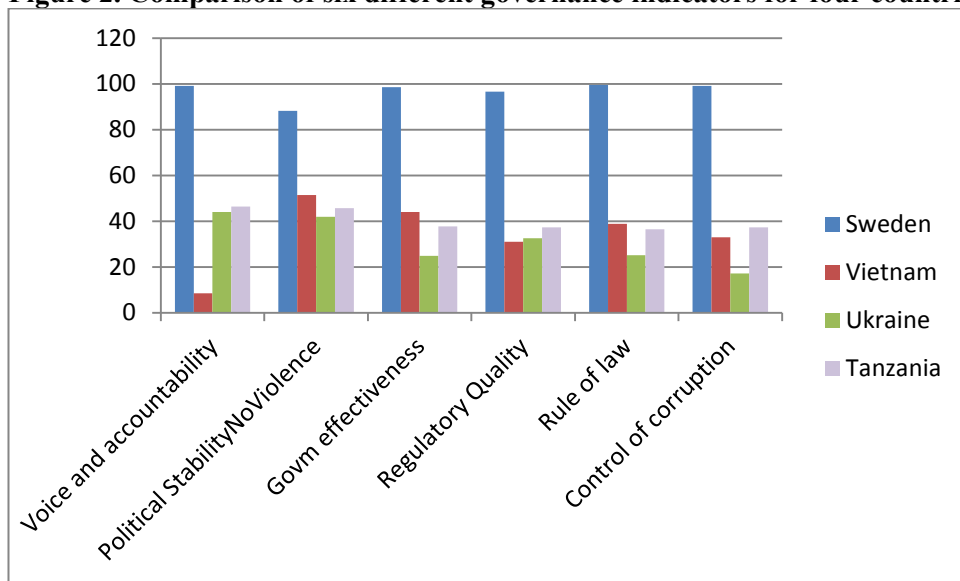
⁷ Government effectiveness: Reflects perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies (ibid)

⁸ Regulatory quality: Reflects perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development (ibid).

⁹ Rule of law: Reflects perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence (ibid).

¹⁰ Control of corruption: Reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests (ibid).

Figure 2. Comparison of six different governance indicators for four countries



Source: World Governance Indicators, by Kaufmann et al., 2010

Moreover, it is important to understand the political context (further elaborated in section 2.2). Prior to supporting reforms, it is crucial to understand who the winners and losers are: who will stand to gain from implementation of a new environmental law, and who benefits from the current situation?

2 Environmental governance at different levels

This section discusses causes to the weak implementation of environmental agreements, laws and measures at the international, national and sub-national levels.

2.1 International level environmental governance

Many of the environmental challenges the world is facing are transboundary and must be addressed through joint actions. The international environmental governance system provides an important foundation for addressing these types of common environmental challenges, and the last decades have witnessed a rapid development of the international system of environmental governance. It is manifested in a series of major UN-conferences and as much as around 900 multilateral environmental agreements (MEA) (Biermann et al. 2011; Najam et al., 2006). However, despite the success of some MEAs, e.g. trade in endangered species and ozone depletion, national implementation of most of these agreements have been largely insufficient to halt escalating environmental degradation (Biermann et al. 2011; Young, 2011; Sharma, 2009).

The resulting implementation deficit can partly be explained by the inefficiency of the international environmental governance system itself. The rapid growth in MEAs, actors and resources involved, combined with a lack of a holistic approach to environmental management, has led to a fragmented system and inefficient use of resources¹¹. A commonly voiced critique is that there are too many organisations involved in too many different places and the mechanisms for coordination are too weak (Najam et al., 2006).

Concerns about the legitimacy and fairness of key MEAs, such as the UN Framework convention on climate change (UNFCCC) and the convention of biological diversity (CBD), have been highlighted as another crucial obstacle to implementation (Young, 2011). Developing countries have argued that high income countries should take a larger responsibility in financing the implementation of the MEAs in developing countries, due to their stronger economic capacity and their comparatively larger impact on the global environment. Notably the historical emissions of green-house gases from industrialised countries have been used as an argument in the negotiations around an international agreement to halt climate change. As a response to these demands, the Global Environmental Facility (GEF), as well as a

¹¹ For example, the climate secretariat is administered by the UN secretariat whereas the ozone and biodiversity secretariats report to UNEP. The Convention on Biodiversity is located in Montreal, Desertification and the UNFCCC in Bonn; CITES and the Basel Convention in Geneva.

range of other financial mechanisms tied to specific conventions, have been created. Decisions at the climate negotiations, for instance to create a green climate fund, holds promises for a marked increase in resources to be channelled to developing countries for climate change adaptation and mitigation¹². However, in international negotiations developing countries often point to the fact that most OECD countries have failed to deliver on their promises on development aid and additional environmental financing.

The financial resources channelled through the international environmental governance system have also been criticised for being inefficiently used. In the words of Najam et al. (2006) “...that resources in the Global Environmental Governance system are used inefficiently is widely accepted There is a deep sense that the GEG system spends significantly on keeping the “system” and its institutions going, but relatively little actually gets spent on environmental action.”

The high dependence on voluntary funding, which is often earmarked for the execution of specific programs or projects, makes it difficult for MEA secretariats and UN agencies to plan and coordinate their activities. Instead there is a tendency to focus on the funding and implementation of projects in the short term (Najam et al et al, 2006, UN, 2012). Increased core funding may increase efficiency and reduce competition amongst and within the UN-agencies.

The fragmentation and projectification of the international environmental governance system is mirrored in the implementation of MEAs at the national level. National action plans, and associated projects, are the main vehicles for translating MEAs into practical action at the national level. However, these action plans have been criticised for being too project focused and poorly integrated with national development planning. Without a comprehensive strategy, opportunities are often lost to capitalise on potential synergies between different environmental measures, for instance multi-purpose capacity strengthening on chemicals management broadly rather than under merely one convention. Despite the emphasis on consultation and national ownership in the development of these plans, many action plans seem to have been primarily developed for the purpose of attracting international funding for different projects (Sharma, 2009).

The fragmented UN-system has also led to parallel systems of funding and implementation. The tendency to establish new financing mechanisms for the different negotiation areas is associated with challenges for the recipient country. The financing mechanisms often have specific requirements for monitoring, reporting and verification (MRV). For climate change finance, for instance, there is a plethora

¹² The industrialised countries have made a joint commitment to mobilise USD 100 billion annually by 2020 for climate change adaptation and mitigation initiatives in developing countries (UNFCCC, 2011).

ra of multilateral and bilateral funds and private sector finance, and a variety of financing instruments (grants, loans, guarantees, technology transfer, etc.), leading to increasing fragmentation and unnecessarily high administrative and institutional burden¹³ on recipient countries (Thornton, 2010). Case studies in a number of African and Asian countries¹⁴ related to climate finance conclude that (Thornton 2011; and Thornton 2010):

- Climate finance is often supply-driven rather than needs-based with low domestic leadership. When there is a domestic leadership, the climate change agenda is often pursued through other (more immediate) priorities, such as securing energy or food production.
- While recipient countries are required to establish specific national institutions to manage climate finance, funders are not committed to use the country systems. Often, these national systems are not yet in place. In fact, external climate finance is not entirely supportive of establishing the national systems, as the finance often is time-bound, creating pressure to by-pass local arrangements in order to get the work started.
- Instead of funders' respecting national budget cycles, priorities and systems, recipients have to conform to funders' requirements. This puts additional stress on already weak institutions.
- An updated, transparent mapping of finance is a prerequisite for harmonisation and coordination. Currently, however, funders are not well coordinated and governments are in some cases not aware of all external financing of climate change activities in their countries. Funders' requirements to report to headquarters appear to be more pertinent than the sharing of information at the national level.
- Civil society, media and parliaments can have a stronger role to play around prioritisation, monitoring and general oversight of climate finance.

Considering the challenges highlighted above, and the importance of international cooperation and a well-functioning international governance system to jointly manage the environmental challenges, there is a need to review and reform the international environmental governance system.

2.2 National level environmental governance

Effective institutions at national level, with capacities to implement national environmental legislation, can promote and support the intentions of the MEAs. Strong environmental authorities are beneficial also for implementing MEAs at the nation-

¹³ The concept 'developing country' can be problematic, as the group of developing countries is not homogeneous. There can be large differences in capacity and sophistication of the country-level tracking systems relative to the suite of financing instruments.

¹⁴ Cameroon, Ghana, Kenya, Morocco, South Africa, and Tanzania (Thornton, 2011); and Bangladesh, Cambodia, Indonesia, Philippines and Vietnam (Thornton, 2010).

al level. However, environment ministries in developing and transitional countries are typically weak. Since they commonly have difficulties in getting resources from the treasury, international finance for environmental projects is often highly attractive for these ministries. A project oriented approach, however, often fails to tackle the root causes and drivers to environmental degradation, and may even weaken the influence of environmental authorities. An analysis of environmental authority budgets in least developed countries (LDC) reveals large portfolios of externally (bilateral and multilateral) financed projects and low budgets for recurrent expenditures (the case of Mali is exemplified in Box 3). There is hence a risk that environmental agencies spend a disproportionate share of their scarce human and administrative resources on negotiating and administering internationally financed projects instead of focusing on executing their core functions such as monitoring, control and supervision (Lawson and Bird, 2008). The expected rapid rise in the international financing for climate change risks leading to further fragmentation and projectification of environmental management frameworks in developing countries.

Box 3. A Snapshot of donor and NGO support to the environment sector in Mali

In 2006, external support to the environment sector in Mali was almost exclusively provided through approximately 92 externally financed projects, with annually allocated budgets of around US\$ 55 million.

Of these 92 projects:

- 31 were managed directly by the Ministry of Environment and Health and its departments and agencies;
- 14 by other Government departments;
- 37 by international NGOs; and
- 10 by international research institutes or other entities.

These 92 projects comprised 147 components, spread across the following activities:

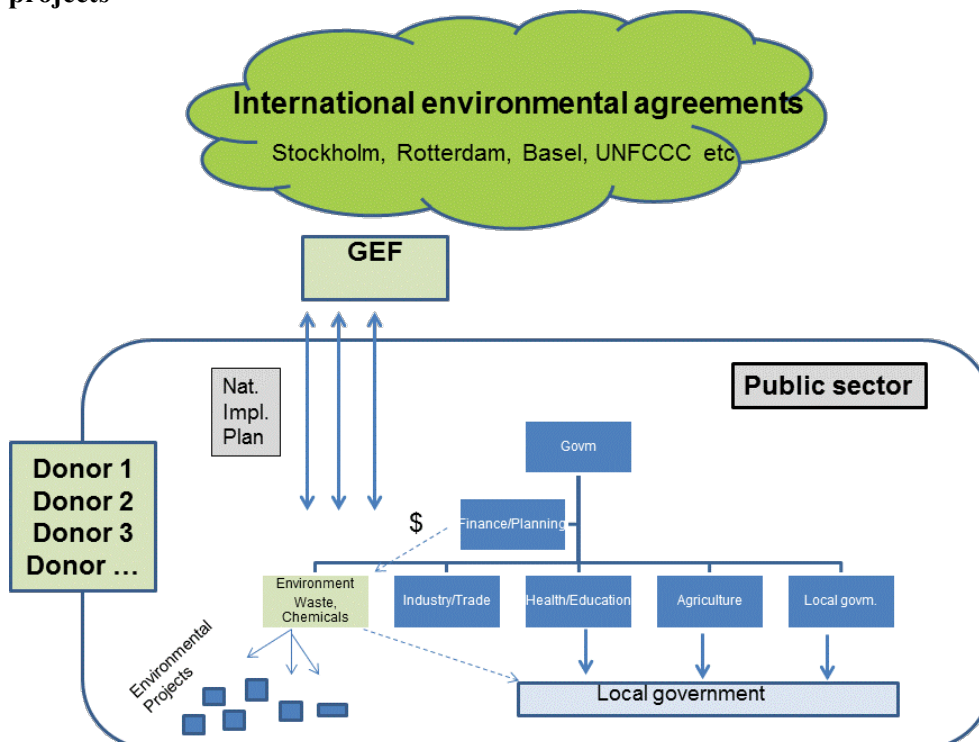
- 25 projects/ sub-projects supporting Environmental Policies;
- 12 supporting Environmental Education & Information Dissemination;
- 9 supporting Sustainable Energy;
- 21 supporting Sanitation and Pollution Control;
- 6 supporting Bio-diversity and Conservation;
- 3 supporting Sustainable Natural Resource Management (NRM) in agriculture;
- 23 supporting NRM against desertification/ erosion/ forest depletion;
- 24 supporting sustainable management of water resources; and
- 24 providing general support to sustainable NRM.

Source: Lawson and Bird, 2007

Figure 3 is a stylised illustration of how the multitude of multi- and bilateral environmental finance mainly is implemented through different projects managed by environmental ministries and agencies in developing countries. These ministries

are weakly linked to the ordinary budget and planning process coordinated by ministries of planning and finance, as well as to more powerful sector ministries and to local government. Consequently environmental management is poorly integrated with strategic planning and decision-making. Furthermore, accountability relationships may be distorted, from citizens towards financiers.

Figure 3. Fragmented implementation of externally financed environmental projects



Source: Authors

Poor implementation of environmental laws (including MEAs) and measures are not only, or even mainly, due to poor technical and financial capacity of environmental authorities. In many cases externally financed environmental projects are simply not in line with short term national political and economic priorities. For example in relation to climate change, local leaders may be more interested in poverty reduction, job creation and food security, than in reducing emissions of greenhouse gases or enhancing resilience to climate change in the long-term. As illustrated in Box 4 this has been the case in South Africa where climate finance has been found to be poorly aligned with national development priorities.

There are important economic and social explanations to why international and national priorities may differ. While the economic and social benefits of economic growth in terms of employment, exports and tax revenue often are tangible in the short term, the environmental costs or benefits tend to be more long term and elusive. Also, poor men and women who often bear the heaviest costs of environmental degradation tend to be dispersed and weakly organised in comparison to inter-

ests vested in the current – often unsustainable – growth path. The implementation of environmental legislation and other measures may hence be dependent on a broader process of improved public participation and democratisation.

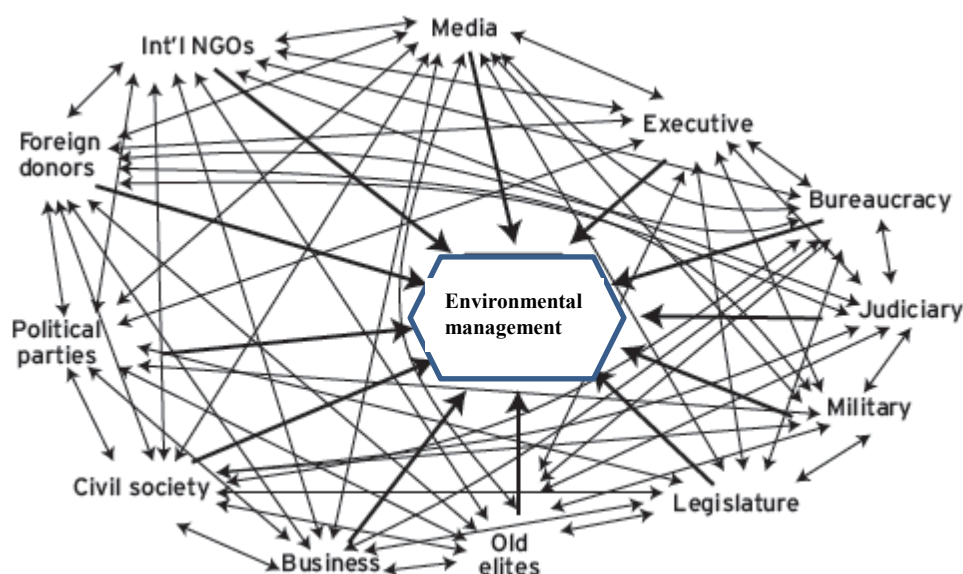
Box 4. Tracking climate finance flows in South Africa

The Development Bank of Southern Africa (DBSA) has attempted to track the climate finance flows in South Africa, and concludes that the climate finance landscape is very complicated on the ground, and climate finance is more difficult to track than development aid. The climate financing is fragmented, projects are difficult to replicate and scale up, have low impact and high transaction costs. Furthermore, the financing shows poor alignment with national development priorities.

Source: Chantal Naidoo, DBSA, presentation at OECD-IEA Climate Change Expert Group Global Forum, March 2011.

Figure 4 illustrates that environmental management rather than being a process on its own takes place in governance system crowded with many actors and interests.

Figure 4. The political context of environmental policy making

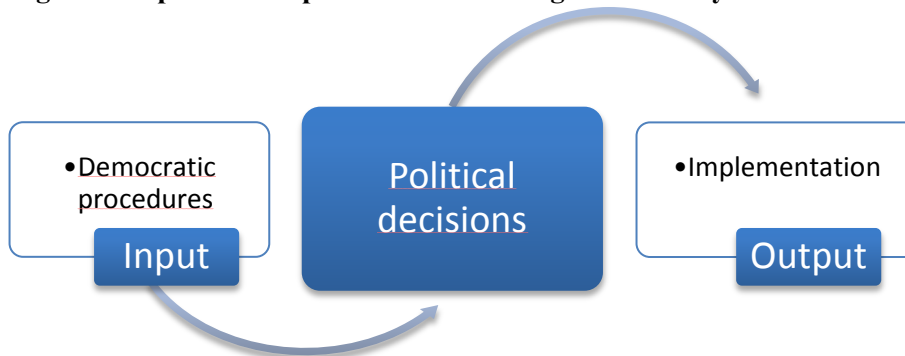


Source: Based on Blair, 2008

To better analyse which factors hinder implementation of environmental laws (including MEAs) in this more complex understanding of governance systems we can divide governance systems into an input side and an output side (Figure 5). While the input side concerns democratic procedures and issues such as political equality, citizen participation, and procedural justice, the output side is explicitly concerned with implementation and the impartiality and integrity of the public administration and bureaucracy.

The recent decades' emergence or renewal of democracy in many parts of the world¹⁵ makes it particularly interesting to explore the links between the input side – i.e. democratic procedures – and environmental sustainability. This has been thoroughly discussed in the academic literature as well as in policy circles. While normative research and political theory early on embraced a rather sceptical view holding that there is a weak – and in some cases even negative – relationship, between democracy and sustainable development, recent research shows somewhat stronger positive results.

Figure 5. Input and output side of national governance systems



Source: Authors

Many developing countries are in the process of democratisation. However, successful implementation of multi-party elections are not automatically accompanied by the creation or strengthening of the institutions indispensable to foster true accountability and political participation (Kapstein & Converse, 2008; Collier, 2009; Keefer, 2007). Young democracies and its formal institutions in fact risk falling prey to the elite's preference for providing goods and benefits to its closest supporters, rather than more broadly improving the quality of public policy and public goods (such as the regulation of natural resources). Young democracies have been found to have weaker protection of property rights (Clague *et al.*, 1996) and to be more corrupt (Treisman, 2000).

There is a growing body of research indicating that the output-side, such as an impartial bureaucracy, and factors related to corruption and government effectiveness, perhaps matter more than the input-side for environmental outcomes.

For example Fredriksson and Mani (2002) find that an increase in the degree of rule of law has a positive effect on the implementation of environmental policy, but also results in increased incentives to bribe officials to circumvent environmental laws. Efforts to improve environmental policies must therefore go hand in hand

¹⁵ In the five years before 1990, competitive elections were held in nine African countries. This number, however, more than quadrupled to 38 competitive elections from 1990 to 1994 (Bratton & van de Walle, 1997).

with efforts to reduce corruption if they are to have the intended effects. Other studies find that corruption enhances pollution (Welsch, 2004) and that lower corruption is correlated with tougher environmental legislation (Damania et al., 2003). Rothstein (2011) finds positive correlations between three quality of government indicators (Rule of law, Government effectiveness and Corruption perception index) and three indicators of local environmental quality (Air quality, Water quality and Improved drinking water source) as well as with forest cover and the Environmental Sustainability Index¹⁶.

However, the results from this research showing a strong correlation between good governance and environmental outcomes should be interpreted with care due to the low quality of some of the data and the many different indicators and indexes used. If, for example, quality of government indicators are correlated with carbon dioxide emissions a negative association is found (Rothstein, 2011). Also, the strong correlation between governance indicators and economic development makes it difficult to distinguish if improved environmental outcomes are caused mainly by improved governance or by increased incomes¹⁷. Nevertheless, we conclude that for many environmental outcomes of great importance to poor men and women, such as local air and water quality, there is a clear and positive correlation with governance factors and suggest, in line with Esty and Porter (2005), that an emphasis on developing the rule of law, eliminating corruption, and strengthening governance structures would be important for improving these environmental outcomes.

2.3 Sub-national level environmental governance

Obstacles to the implementation of environmental laws (including MEAs) and measures are also found at sub-national governance levels. Environmental authorities are typically very weakly represented at the local level in developing countries making monitoring and enforcement of national environmental laws difficult. In combination with a lack of well-defined property rights for land and forests in developing countries, many researchers have feared a massive exploitation of these resources due to their open-access characteristics¹⁸. However, as Ostrom (1990) has shown, certain communities have established customary systems for managing bodies of water, forests, agricultural land, etc. which satisfactorily balance equity

¹⁶ A composite index tracking socio-economic, environmental, and institutional indicators that characterise and influence environmental sustainability at the national scale.

¹⁷ There is a vast literature on the so called Environmental Kuznets curve which show that for some, particularly local, pollutants, pollution increases with income up to a certain level after which they decrease at higher levels of income. For an overview, see Stern (2004).

¹⁸ Open access regimes make every resource user expect that others are overharvesting the resource and for that reason they engage in overuse themselves. This is the well-known tragedy of the commons, also conceptualized as a collective action dilemma, a social trap, or as the prisoner's dilemma (Hardin, 1968, Axelrod 1984; Bromley 1992; Rothstein 2005)

and social justice, efficiency, sustainability and the preservation of biodiversity. These type of common property natural resource management systems have proven to be efficient and sustainable during certain circumstances¹⁹. In fact, communal organisations have proven able to solve problems that neither the state nor the market has been capable of managing effectively – like the production of local public utilities or the internalization of ecological externalities. Consequently this has led to a reconsideration of the role of communities and other actors in between the state and the market (Acheson 2000; Bromley 2005).

During the last decades many developing countries have launched ambitious programs to decentralise the management of environmental and natural resources. Experiences demonstrate that these processes of decentralisation involve opportunities as well as risks for environmental management (see e.g. Ribbot, 2004; Ostrom, 1990). In some countries, decentralisation has led to improved natural resource management through enhanced community level participation, transparency and strengthened accountability. However, in several countries responsibilities for natural resource management have been decentralised without being accompanied by sufficient resources - for instance information, training and financing needed to carry out the new functions – and elite capture and conflicts around natural resource management have been frequent. In practice, many decentralisation reforms holding promises for improved natural resource management have been only partly implemented as they have encountered resistance from strong interest groups.

¹⁹ Ostrom (1990) introduces 12 design principles for successful common property resources management.

3 Governance and environment – the linkages

In this section the linkages between environmental outcomes and governance is further elaborated, with a special focus on transparency, participation, accountability, and integrity. These four concepts are interconnected and constitute key elements of the “accountability chain”. They are also common elements of any comprehensive anti-corruption framework (Chene, 2011). Examples from different countries and environmental areas are used to illustrate the linkages between various aspects of governance and environmental outcomes. The chapter ends with a brief section on how environmental management can promote good governance in general.

3.1 The accountability chain

Transparency, participation, accountability and integrity are important ends in themselves. They are also crucial governance mechanisms for implementation of environmental legislation and other environmental measures for improved environmental outcomes. In cases, where for instance vested interests work against reforms for controlling industrial pollution or proper handling of hazardous wastes, it is important that there are constituencies such as affected communities, unions, environmental organisations and concerned politicians that can push for reform implementation. Ensuring the rights to access to information, public participation and access to justice in environmental matters in line with the Aarhus Convention²⁰ is essential for enabling these constituencies to demand accountability and environmental improvements (Ahmed and Sanchez-Triana, 2008).

Transparency, or information that is available and accessible, can include the right to examine public records, obtain data from environmental monitoring, reports from environmental agencies, or budgets allocated for environmental protection, investments in waste management systems etc. Evidence indicates that more transparent countries are less corrupt (Kolstad et al., 2008). Transparency enables detection of wrongdoings, increases awareness of financial commitments and budget allocations and help keeping decision makers accountable, while a lack thereof fosters rumours and discontent, makes it difficult to understand the basis of public decisions and act on them, or enforce the law as proof is hard to generate.

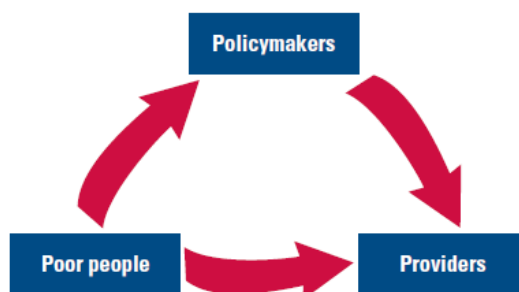
However, transparency in itself is not enough; it should be combined with *participation* of empowered stakeholders (Chene, 2011). When citizens, communities, companies, civil society organisations and academia are invited to participate in

²⁰ The Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters

policy and decision making, and when views and complaints are responded constructively to, the decision making is understood to be fairer (Clark, 2011). Participation may hence contribute to strengthening the legitimacy of the government as well as the quality of formulation and implementation of reforms. Involvement of different actors at different levels thus enhances the possibility of achieving sustainable environmental outcomes. Participation can for instance relate to national and sub-national development planning processes, environmental impact assessments, or climate related planning processes²¹. However, in order to be able to participate constructively, citizens must both have the possibility (i.e. be invited) to participate as well as the capacity to process information and act on it. Therefore, education and a free press are important components (Kolstad and Wiig, 2007). In some countries limitations in the freedom of press is a severe constraint to accountability since media play a central role in ensuring the rights to access information.

Strengthening *accountability* is also an essential governance mechanism for environmental outcomes. Accountability refers to that individuals, agencies and organisations (public, private and civil society) are held responsible for executing their powers properly. They should take on responsibility for what they do and how they do it. More traditional forms of accountability, such as monitoring, enforcement and sanctions, are good complements to transparency and participation (Chene, 2011). If, for instance, a service is not delivered or holds inadequate quality, such as a water supplier providing irregular or poor quality services, the consumer of that service should be able to file complaints towards the service provider and the complaints should lead to some kind of response. Often, however, there is no direct accountability of the provider to the consumer. Instead, the accountability is indirect, through citizens influencing policymakers, and policymakers influencing providers. When private companies fail as providers of public services it is ultimately the public authority that is responsible and should be held accountable. Figure 6 illustrates how addressing this problem can involve the strengthening of several accountability relationships.

Figure 6. Direct and indirect accountability relationships



Source: World Bank 2004, p 6

²¹ Examples include: Nationally Appropriate Mitigation Actions (NAMA), National Adaptation Programmes of Action (NAPA), Low carbon development plans, etc.

Accountability relationships are further complicated when involving international actors such as bilateral or multilateral development partners and international conventions. When large parts of a national budget emanates from other sources (e.g. donors) than the public, such as taxation, accountability may shift from the citizens to the international development partners (IDP). The government is responsible to report on spendings and results to the IDPs rather than to the public, and the public pressure for accountability, political participation or disclosure of information may be weakened.

Integrity, is a concept that refers to adherence to a set of moral or ethical principles, such as impartiality, legality, public accountability, and transparency (OECD, 2000). An integrity system is a political and administrative arrangement that encourages application of these principles in the daily operations, to ensure that information, resources and authority is used for intended purposes. On a national level, an integrity system comprises of government and non-governmental institutions, laws, and practices and can help minimise corruption and mismanagement. Integrity is related to trust in government and legitimacy. When citizens cannot trust that public servants will serve the public interest with fairness and manage public resources properly, the legitimacy of the government will be suffering. On the other hand, fair and reliable public services inspire public trust. This is particularly important in relation to environment, as there often is a conflict between private gains and public wealth. Allocation of mineral or logging concessions, environmental inspections and certification of environmental assessments are examples of activities where integrity is frequently compromised.

In the next sections, examples from different countries and different environmental areas will be used to further illustrate the linkages between different aspects of governance and environment.

3.2 Transparency and resource rents

Natural resources, particularly agricultural land, subsoil minerals, timber and other forest resources, are economically and socially significant in developing and transition countries, and make up a relatively large share of the national wealth. Governance is intricately linked to natural resources.

Paradoxically, natural resource rich countries typically shows lower levels of socio-economic development, are less diversified, less transparent, subject to greater economic volatility, more oppressive and more prone to corruption and internal conflicts, compared to non-endowed countries at similar income levels (Siegle, 2009). This is often referred to as the “resource curse”. If, for instance, access to high value mineral resources is controlled by fractions and elitist groups, the risks for conflict and corruption escalate. Once the mineral resources are captured, government and politics are also captured and the resources can form the basis of polit-

ical patronage with few benefits for the poor. Even without conflicts, volatile world market prices can generate boom and bust circles that can destabilise the economy and negatively affect growth. Furthermore, large foreign exchange earnings from natural resource exports reduce the competitiveness of other economic sectors (OECD, 2008).

Increased transparency can reduce the risk of the resource curse for resource rich countries. Transparent and broadly disseminated reporting of government incomes from oil and minerals provides opportunities to hold the government accountable for how the funds have been spent. External monitoring mechanisms could be useful in reinforcing accountability in the extractive sectors. In particular for revenue collection, the Extractive Industries Transparency Initiative provides a process and label to strengthen accountability and to signal the government's commitment to transparency (Box 5). The Natural Resource Charter²² is another initiative that aims to guide governments and societies in how to use natural resources in a way that provides benefits to the citizens.

Box 5. Extractive Industries Transparency Initiative (EITI)

The EITI is a global standard that promotes revenue transparency. It has a methodology for monitoring and reconciling company payments and government revenues at the country level i.e. companies publish what they pay and governments publish what they receive. The process is overseen by participants from the government, companies and national civil society. Technical assistance for implementing countries is available through a multi-donor trust fund administered by the World Bank.

The benefit for government is that participation can reduce corruption risks and improve governance and international credibility. EITI levels the playing field for companies as all are required to disclose the same information. For civil society increased transparency makes it easier to hold governments and companies accountable for the revenues generated.

However, pressure is mounting on EITI from NGO's questioning its ability to bring about change when only two candidate countries have fulfilled the requirements.

Source: EITI, 2011 (www.eiti.org) ; Publish What You Pay, 2011 (www.publishwhatyoupay.org)

Budget transparency is a central feature of good governance. Non-transparent budget processes or revenues, off-budget activities, and poorly managed expenditure systems, makes it hard for the public to monitor budget allocation and implementation. Natural resource rich countries often receive a large share of their budgets from resource rents rather than taxation. Hence, there is less pressure for political participation or disclosure of public budgets (Kolstad et al., 2008). Dialogue on

²² <http://www.naturalresourcecharter.org/>

budget transparency is therefore a priority issue in international development cooperation.

The International Budget Partnership²³ has created an Open Budget Index (OBI), which ranks the countries based on information from open budget surveys. The Open Budget Survey 2010 finds that 74 of the 94 countries included in the survey fail to meet basic standards of transparency and accountability with national budgets. Countries with low OBI scores tend to share certain characteristics — such as low levels of income, low levels of democracy, geographical location in Africa and the Middle East, and dependence on aid and/or revenues from the sale of hydrocarbons. Budget transparency in Angola is an example presented in Box 6.

Box 6. Transparency in oil rich Angola

Oil revenues in Angola contribute to a major part of the GDP and accounts for 80% of government revenues. However, despite the large budget surplus from the oil revenues, the population remains poor and the government seems unable to provide its citizens with basic services, such as basic health care, safe water and sanitation.

The civil society in Angola is weak and the government has not yet fully accepted the civil society's watchdog or control function. Accountability appears to be weak. Furthermore, the public decisions are not transparent and particularly the public budget is opaque. Angola scores low in the Open Budget Index, Corruption Perception Index, Human Development Index, as well as on measures of voice and accountability. Angola is perceived to be highly corrupt. The correlation between dependency on oil revenues, lack of good governance, and inadequate local environmental quality, is confirmed.

However, there are signs of improvements: Angola does participate in the Open Budget Surveys and shows an increasing trend of budget transparency between 2008 (score 4 out of 100) and 2010 (score 26 of 100).

The improved score is mainly linked to the government's publication of the Executive's Budget Proposal and more comprehensive budget data in the Year-End Report. The reasons for the improvements may be linked to pressure from international finance institutions and donors to improve budget transparency, and that the government wanted to present itself as more transparent in the run-up to the national elections in 2008.

Source: Holmberg and Rothstein, 2011; IBP, 2010; Kolstad et al., 2007 and 2008.

²³ The International Budget Partnership is formed by the US think tank *Center on Budget and Policy Priorities*, which conducts research and analysis to help shape public debates over proposed budget and tax policies, to help ensure that policymakers consider the needs of low-income families and individuals, and develops policy options to alleviate poverty. <http://internationalbudget.org>

3.3 Participation and service delivery

The national government is often influential when it comes to legislation, formulation of policies and strategies, and defining objectives and targets. While this is a necessary requirement, the implementation of the policies and legislation often rests with local governments. The central role of the local government is a key characteristic of public service delivery (including waste management, water and sanitation), and a strong local leadership is critical. The services are often provided by private sector actors, which require new forms of governance that stresses horizontal decision-making through partnerships and networks that involve a wide range of actors (Tropp, 2007).

Public service delivery is often less well developed in poor neighbourhoods compared to more affluent communities. Strengthening accountability, through active participation of communities and citizens, may promote more equal access to public services. However, monitoring public service delivery is expensive and requires a structure that reaches out to different communities also in informal areas and poor communities. A participatory approach, where communities (or consumers of the services) are involved in service monitoring, has the potential to improve both quality and coverage. As mentioned earlier, this will require empowered citizens that have access to information as well as confidence and capacity to act. Another prerequisite is that the participation is not mere consultation, but actually intends to contribute to improved outcomes (Iza and Stein, 2009).

Box 7. Stakeholder participation for improved service delivery in Nigeria

Community scorecards, or citizens' report cards, can be used to - in a simple but structured way - score the aspects of service delivery that the community finds important. The quality and reliability of services are scored, and facilitated meetings between citizens, authorities, and service providers are held. The aim is to provide poor and marginalised groups with sufficient information, evidence and confidence to be able to advocate for themselves. It aims to institutionalise accountability mechanisms.

A poor community in Nigeria was supported in scoring the service delivery. The community scorecard process revealed that the community had not benefited from any water and sanitation projects although that was included in the development plan. As a result of the process, the Local Government Authority (LGA) has set up a Water and Sanitation Unit with a bank account with monthly (although limited) deposits from LGA; a broken borehole has been rehabilitated, the electrification scheme has been accelerated, and a maternity centre has been constructed and equipped.

Source: Ryan, 2008

Box 7 provides an example where a community scorecard process has been used in a poor rural community in Nigeria, as a means to institutionalise accountability

mechanisms through a participatory approach, improve service delivery and provide poor and marginalised groups with sufficient information, evidence and confidence to be able to advocate for themselves. The process revealed certain shortcomings which the local authorities have started to act upon. The downside with this type of processes is that it often requires the presence of a civil society organisation and that the methodology is best suited for smaller communities rather than cities.

There are a variety of participatory mechanisms and all are not appropriate at all times or for all purposes. Multi-stakeholder groups, for instance, are increasingly supported by donors as a means to promote dialogue, learning and collaboration, but also to enhance policy implementation. Moreover, multi-stakeholder groups are often expected to promote good governance and address corruption issues in natural resource management. However, caution should prevail not to place too much hope on what multi-stakeholder groups can accomplish. Research indicates that multi-stakeholder groups often provide a good forum for debate, but should not be seen as a panacea for promoting good governance. There are a few potential pitfalls with multi-stakeholder groups or dialogue platforms: they may provide an artificial neutral space that doesn't match the reality of interaction between those of different degree of powers, and those with less effective communication skills may be disempowered (Chikozho, 2005). There may also be conflict of interests between different stakeholders, which may inhibit the effectiveness of anti-corruption or good governance efforts. Another challenge is that these types of participatory fora may undermine other forms of formal negotiations such as parliamentary working groups (Søreide and Truex, 2011). Thus, multi-stakeholder groups may provide important opportunities for dialogue but will not be the sole answer to improving governance.

3.4 Integrity and Ecosystem Services

The environment comprises of a variety of ecosystems, from forests and grasslands to wetlands and coral reefs. The ecosystems provide life-supporting services such as direct provisioning of goods (food, fuel, fodder, etc.), to more indirect benefits, such as regulating services (e.g. regulation of water and air quality), cultural services (e.g. recreation and tourism), and supporting services (e.g. pollination and nutrients recycling). Biodiversity represents the foundation of ecosystems and underpins the delivery of the vital ecosystem services, which are utilised for human wellbeing at global, regional as well as local level.

Sustaining biodiversity and ecosystem services is directly linked to poverty alleviation. An example is how forests and woodlands support local livelihoods through provisioning of building material, fuel, medicine and protein. Furthermore, avoiding deforestation is also a global public good, for instance related to carbon sequestration and maintaining of the gene pool.

Ecosystems are under various pressures, amongst others from land-use changes, economic activities or demographic changes. The linkages between ecosystem services and poverty alleviation are particularly evident in the context of climate change and increasing populations. Decision makers are faced with the dilemma of balancing socio-cultural, economic and ecological values, and these trade-offs need to be further analysed and understood. The importance of adequate incentive structures and good governance to manage the conflict between private gains and public wealth is illustrated in Box 8.

Deforestation is a problem in many parts of the world and, similarly to other high-value resources, forestry is prone to illegal activities and corruption. Globally, it is estimated that illegal logging activities account for over a tenth of the global timber trade, representing a value of at least \$15 billion annually, resulting in massive losses in revenue. For instance, research suggest that illegal logging in East Kalimantan, Indonesia, results in \$100 million in lost tax revenues each year (UN PEI, 2009). Thus, provisioning services, such as timber, are difficult to govern although it is a marketed, tradable good. Currently, international mechanisms are being developed for Payment for Ecosystem Services (PES), to attach a cost also to other, non-marketed services, such as regulating services, which enhances governance complexity even further. PES is a policy instrument that provides economic incentives to manage ecosystems sustainably. One example of a PES mechanism is Reduced Emissions from Deforestation and Forest Degradation (REDD+) which is included under the UNFCCC negotiations. REDD+ is intended to provide economic compensation for maintaining or enhancing regulating services of forests through conservation and avoided deforestation.

Good governance is key for improving environmental outcomes in the forestry sector (Milledge et al., 2007). Box 8 illustrates the linkages between an imperfect governance system, with low level of integrity providing incentives for rent-seeking, and deforestation in Indonesia. Thereafter, Box 9 describes the successful work in Indonesia to improve governance for reduced corruption.

Large amounts of climate finance are foreseen, also related to REDD+. According to the UN-REDD Programme predictions are that financial flows for REDD+ could reach up to US\$30 billion a year. Large inflows of financial resources, coupled with an imperative to spend, can create conditions prone to corruption. In addition, the countries with the highest deforestation rates, and therefore a focus of REDD support, commonly also has weak governance systems (Bofin et al., 2011; UNDP, 2010b). Good governance is acknowledged as important among donors supporting REDD, although detailed exploration of the risks are still scarce.

Box 8. Integrity, deforestation and REDD-plus – the case of Indonesia

Indonesia holds the world's third largest tropical forests and globally significant biodiversity. The state is the main (although largely absent) owner of the forests and the command-and-control governance system is weak. Monitoring of local bureaucrats and politicians, who *de facto* control forest extraction, is inadequate and the deforestation rate is very high: Between 2000 and 2005, 1.8 million ha of Indonesia's forests were destroyed (equal to eight football fields per minute).

Indonesia has undergone a rapid decentralisation process. Research reveals that the increases in the number of political jurisdictions are associated with increased deforestation. Furthermore, illegal logging increases dramatically (as much as 42%) the years leading up to a local election; a phenomenon called the 'political logging cycle'. Evidence suggests rent maximisation by local officials.

Indonesia is one of the pilot countries of the UN REDD programme. The Norwegian government has pledged up to one billion US dollars if Indonesia can prove a reduction of greenhouse gas emissions and halt deforestation. As part of its commitments, the government of Indonesia introduced a two-year logging ban from January 2011. In reality, the logging ban is associated with new concessions. Old concessions, still legal, are being realised and greenhouse gas emissions are, in fact, still increasing.

Although central government policies are necessary they may not be sufficient. It is important to understand the incentive structures at local government levels, and how these affect deforestation. REDD-related measures, or broader PES-schemes, need to move beyond formal owners of the forest resource, take on board the decisions of local politicians or bureaucrats, and consider how to deal with the incentives of local officials who currently enjoy rents from the logging activities.

Source: Burgess et al., 2011; Rydlund (personal communication);

Corruption challenges associated with REDD could affect important elements, such as the establishment of baselines, selection of sites for inclusion in programmes, issuing of land certificates, or monitoring of avoided emissions. Other risks are, as mentioned above, related to the financial resources. Improving governance such as participatory and transparent monitoring, reporting and verification (MRV) mechanisms, third party monitoring of forest management activities or independent auditing, could reduce corruption risks (Bofin et al., 2011; UNDP, 2010b).

Good governance in general, including fight against corruption and promotion of accountable and transparent institutions, is very likely to benefit also the management of natural resources. Indonesia has lately been working hard to curb corruption, for instance through granting the Corruption Eradication Commission of Indonesia (KPK) considerable investigative powers and capacity (Box 9).

Box 9. Corruption increasingly a high-risk and low-reward activity in Indonesia

The Corruption Eradication Commission of Indonesia (KPK) has been successful where many other countries' anti-corruption agencies have failed. According to U4 Anti-corruption Resource Centre, KPK has successfully recovered sizable amounts of stolen assets and arguably prevented the theft of many more. Corruption is increasingly becoming a high-risk and low-reward activity in Indonesia.

Partly, the success can be explained by considerable investigative powers given to KPK, and capacities to perform these. KPK pursues corruption wherever the evidence leads it, disregarding of who is involved. The success triggered a massive backlash in 2009, which KPK survived because it had deep and wide-spread public support, vigorous investigative powers of the press, and explicit and strong backing from the president, in combination with a robust institutional design with a combination of institutional independence, fiscal autonomy, and various preventive and law enforcement powers and capacities.

Thus, features that enable creation of a powerful anti-corruption agency include: strong public support and a genuine support from the highest political level; a free media; and institutional independence, fiscal autonomy, and strong law enforcement powers, particularly in investigation.

Source: Bolongaita, 2010

3.5 Environmental management can improve governance

As has been stated above, good governance generally improves management of natural resource and implementation of environmental legislation. It can also work the other way around: concerns for environmental governance can have spin-off effects and contribute to improved democratic governance at a more general level. The Green Belt Movement was created by Nobel Prize laureate Wangari Maathai in response to environmental degradation that affected the livelihoods in rural Kenya. It is a grassroot organisation organising women that work on community development, environmental protection and capacity building (civic and environmental education). The organisation has successfully empowered women to voice their concerns and protest against land grabbing and advocated for accountability from political leaders, while also improving local incomes through the plantation of trees.

In many developing countries, such as India, the debate over sustainability is largely related to justice and rights, influenced by a history of colonial and post-colonial abuse of, and uneven access to, natural resources. In India the judicial system has proven to be effective in addressing environmental problems in response to social pressures (Khoday and Natarajan, 2012). See also Box 10.

Box 10. When other systems fail: environmental action through the courts

In India, the court system is independent and has strong powers. Public Interest Litigation is a method applied to protect the interest of the public against violations of their rights. In particular it has provided the poor and underprivileged with a mechanism to pursue lawsuits for broad societal harms including environmental degradation. In 2010 the National Green Tribunal Act was established to improve management of court cases related to environment, including compensation for damages to persons and property. As an example, in March 2012 the Green Tribunal suspended the clearance for India's largest foreign investment venture, a steel mill project, as the environmental impact assessment (EIA) was deemed incomplete.

Source: Faure and Raja, 2010; and Press Trust of India, March 30 2012 (http://www.dnaindia.com/india/report_posco-stalled-again-as-green-tribunal-cancels-environmental-clearance_1669290).

Citizens in Eastern Europe started to mobilise around environmental problems in the late 1980's. As other arenas for societal participation were restricted by the political leaders under the communist rule, the environmental movement attracted a lot of public support and later international attention including collaboration and funding (Henry, 2010). This was, for instance, the case in Moldova, which up to 1991 was part of the Soviet Union, see Box 11.

Box 11. Supporting environmental constituencies in Moldova

Environmental pollution had become a problem in the Soviet union republic of Moldova in the 1980's and environmental organisations emerged at grassroot level. International support helped create better organisational capacity and broader awareness and understanding of environmental problems and its health implications. When people got used to being able to participate in issues related to environmental health, they wanted to influence other areas as well, also related to general governance and economic changes. Thus, a demand for transparency and participation was emerging.

Source: Angela Bularga, OECD EEA Task Team, personal communication

Environment related aspects such as access to food, water and sanitation infrastructure also played a role in social grievances, protests and calls for public accountability in the Arab region during 2011 (Khoday, 2011).

4 Issues to consider for environmental authorities and international cooperation

Previous chapters have shown that the environmental sphere is not isolated from other policy areas and depends on general governance aspects. The governance conditions in which environmental authorities operate differ greatly. Therefore efforts to improve implementation of environmental legislation and measures to strengthen the capacity of environmental authorities, should consider the political and institutional context.

This chapter focuses specifically on environmental authorities and staff involved in bilateral and multilateral development cooperation or international environmental governance, primarily environmental conventions. It includes tables with questions and issues to consider mainly targeting environmental authorities from OECD countries for use in discussions with their partners.

Box 12. Strengthening country ownership for environmental integration in plans and budgets

The UNDP-UNEP Poverty Environment Initiative (PEI) is a UN programme that supports country-led efforts in 18 countries to mainstream poverty-environment linkages into development planning and implementation processes at national, subnational and sector level. The program focuses on working closely with coordinating ministries like Planning and Finance and linking poverty-environment issues to political priorities like economic growth, agricultural productivity and job creation.

These are important factors for enhancing national ownership for improving management of natural capital and ecosystems. Although important, the integration of poverty-environment aspects in national, sector or local planning is no guarantee for implementation. PEI therefore also targets the budget process and work with Ministries of Finance, Environment, etc., to map environment related expenditures from national and international sources. The findings are shared openly and stimulate debate on the adequacy and focus of current expenditures.

Source: www.unpei.org

The OECD (2012) promotes a country system approach to environmental governance and capacity development in which integration of climate change and other environmental concerns in national and sectoral development planning plays a key role. When the reform agenda is demanded, managed and coordinated by the partner country rather than donors, the reforms are more likely to be strategic and coherent, and to be implemented. Box 12 provides an example of support to country led efforts to strengthen national systems and the capacity of coordinating minis-

tries like finance and planning to enhance ownership for improved environmental management through the UN Poverty Environment Initiative.

4.1 Key governance aspects in bilateral or multilateral development cooperation

Many northern environmental authorities are engaged in development cooperation with the aim to strengthen capacities for environmental management in partner countries or international organisations. Capacity development goes beyond technical co-operation and is generally described as a three level process involving the enabling environment, the organisational level and the individual level (OECD, 2012).

Table 3. Three levels of capacity development

	Enabling Environment	Organisational level	Individual level
Overall capacity objective	- Develop overall legislative and regulatory frameworks for environmental governance, rule of law and clear property rights - Improve inter-institutional coordination	Develop organisational performance and environmental management capabilities	- Improve understanding of the environment, develop technical skills (e.g. making the economic case, strategic environmental assessment) - Support long-term motivation and commitment
Examples of specific interventions	- Legislative, policy and regulatory reforms - Development of practical guidelines on environmental management - Monitoring and review of environmental management systems	- Internal environmental management guidelines - Institutional monitoring and evaluation	- Training (initial awareness raising and basic skills development) and - Professional development (training on environmental management tools and valuation techniques)
Cross-cutting intervention	- Raise awareness about the benefits of good practice - Platforms for regular debate and policy dialogue between key stakeholders (i.e. professional networks or conferences to review and discuss states of practice) - Improved coordination procedures to e.g. improve the inclusion of environmental sustainability in government policies - Pilot project that test proposed changes in legislation of guidance, implemented as part of inter-institutional learning and involving local experts through training - Award schemes that identify and appreciate best practice		

Source: OECD, 2012

Individual capacity refers to knowledge skills ranging from design of policy instruments for waste to management capacity or competencies in building relationships. Organisational capacity refers to structures and systems that allow for individuals to work effectively together to achieve the goals of the organisation. The enabling environment includes policy, legal, regulatory, economic and social support system as well as national and international policies, rule of law, accountability, transparency and information flows. The three levels of capacity and examples

are shown in Table 3. According to the OECD, capacity development efforts are most effective when multiple strategies are employed together and where the three levels are targeted simultaneously.

Without neglecting the importance of technical capacity on establishing environmental standards or for detecting non-compliance, a key lesson learned is related to the need to ensure environmental leadership, high level policy coordination and institutional arrangements that make ministries of finance, planning, energy, agriculture, industry, etc., assume greater responsibility for environmental management.

A two-step approach

Staff from environmental authorities engaging in development cooperation are often involved both in the design phase of support programs and in the implementation phase. When identifying what needs to be done and how, a two-step approach can be applied: The first step is about effectiveness, of having a governance perspective when identifying what to focus on, to do the right thing. The second step is about efficiency, of doing things right and make use of governance tools such as participation, transparency etc. to reach intended results while promoting good governance more broadly.

Effectiveness

The right thing may be support in drafting policy, strengthening the environmental information systems or improving coordination between sectors. The answer is always context specific and a holistic view of needs, capacity and governance aspects is important. National capacity assessments provide useful information on priority areas for collaboration. Both assessments with specific attention to environmental management or assessments with a broader scope of government capacity can be useful.

Country ownership is critical. It can be challenging to determine the degree of country ownership. A government agency wanting support in a certain area may not be sufficient. By ensuring input from a broader set of stakeholders it is possible to make a better assessment of the level of country ownership. Similarly is it not automatically enough to back up an intervention with reference to a commitment made in an international environmental agreement. If closing the implementation gap is the top priority there may be other aspects that need to be dealt with first. An example could be fulfilling an environmental obligation in the national development plan that has been passed in the parliament or addressing problems frequently voiced by respected civil society organisations. Examples of questions and issues to consider when determining effectiveness and understanding certain governance aspects are listed in Table 4.

Table 4. Selected questions to determine effectiveness while improving environmental governance.

<i>Has a needs assessment been undertaken?</i> - Does it include a fair description of the political and institutional context? - Who has been involved in the assessment? - Is it possible to get a second opinion from another side of government, from NGO or academia, other donors in the country? - How does the proposal respond to the needs assessment?
<i>In what ways does the proposal contribute to greater country ownership for environmental management?</i> - Does it respond to national targets or commitments e.g. National development plan? - Does it respond to issues that are prioritised by citizens? - Will it help improve monitoring and evaluation of nationally owned commitments? - Will it increase the capacity to interact with key national counterparts such as ministries of finance, planning and sector ministries? - Will it help frame benefits of improved environmental action in relation to economic growth, job creation and poverty reduction? - Are country systems used?
<i>Is the balance of the intervention right between the three-levels of capacity development relevant (enabling environment, organisational level, and individual level)?</i> - Are there opportunities to contributing to a more enabling environment? - Could local capacity be used to a larger extent to strengthen networks and stimulate learning? (academia, other parts of government, local consultants)
<i>Have comments and views from different stakeholders been registered and brought to the attention of policy-makers and other interested parties?</i>
<i>Are there alternative ways of achieving the environmental outcomes hoped for?</i> - Which are they and what are their pros and cons?
<i>Do you have the internal capacity to provide support? If not, how can this be solved through training, recruitment or partnerships?</i>

Source: Authors

Efficiency

Once we know where to start and what to do, it is time to consider how to do it. Doing things right can involve many aspects. Here the focus is on identifying opportunities for promoting governance aspects during the intervention as a way to improve outcomes. Integrity aspects are sensitive and negatively impact on outcomes. Discussing integrity aspect at a general level before they occur can provide an avenue for identifying opportunities that reduce corruption risk. If the risks are high it may be advisable to bring in specific expertise. Promoting transparency and involving different stakeholders in both oversight and implementation can help reduce corruption risks while also contributing better governance. Box 13 describes

an approach for addressing integrity issues before they happen applied in a REDD+ context.

Box 13. Addressing integrity issues before they happen

Corruption undermines sustainable human development. For UNDP, corruption is not just a crime, but it is a governance deficit. The risk of corruption is evident in various sectors involving multiple players. UNDP has developed a sectoral approach to anti-corruption including reducing corruption risks related to REDD+. Examples of aspects that can have relevance well beyond REDD+ include:

- Make use of existing studies on corruption risks in the region/country to have a broader understanding of the nature of corruption as well as its institutional and legal context.
- Identify and assess the specific corruption risks, discuss risk mitigation options and measures with full participation of national partner and other stakeholders. It may be appropriate to have the discussions separately with private sector, local government and civil society.
- Share the views of various stakeholders and seek agreement on ways forward and roles different stakeholders can play to reduce risks.
- Grievance mechanisms, transparency and multi stakeholder participation in steering groups are examples of strategies that can reduce corruption risks.

Source: UNDP, 2010b

Similar to step one, a good understanding of the needs, and the political and institutional context is essential. This may reveal already existing capacity development processes, which can be supported, adapted, and strengthened thereby achieving economies of scale. A case in point can be capacity to strengthen environmental information systems. Linking to on-going support to national bureaus of statistics or sector level data collection can give better and more sustainable results than starting on a separate track. This approach may be more time consuming and require more compromises regarding the data that should be collected in the short term. However, in the longer term these disadvantages are likely to be minor compared to the benefits of having a more robust monitoring system. Table 5 lists examples of questions and issues to consider for improving efficiency while promoting certain governance aspects are listed.

Table 5. Selected questions to improve efficiency while advancing environmental governance.

<i>Participation</i> - What stakeholders are invited to participate and in which parts of the process? - How are stakeholder views taken on-board (information, consultation, or able to affect the process, contents and outcomes)? - Are there feed-back structures in place? In what way are stakeholders informed about the process and results? - Is it possible to involve stakeholders in monitoring activities?
<i>Winners and losers</i> - Who will gain and who will lose from the intervention? - What power do potential “winners” and “losers” have? Do they have the same ability, capacity and confidence to act?
<i>How are integrity aspects considered?</i> - What are the risks? Can existing assessments be used in discussions? What stakeholders could provide valuable input? - Are specific measures needed?
<i>Who is nominated to working groups or steering committees?</i> - Government counterparts from different layers, unions, business or civil society organisations, NGOs, community groups? - Opponents or proponents to the change?
<i>How does the proposal contribute to transparency?</i> - Is environmental information readily accessible and actively disseminated, in a meaningful format to relevant stakeholders throughout the process? - Is monitoring sufficient for government and outsiders to track progress? - Is media invited when relevant and given sufficient information?
<i>Are opportunities to liaise to other national capacity development initiatives identified and adapted to when relevant?</i> - On-going processes to improve the rule of law or increase transparency that can be linked to?
<i>To what extent is involvement of non-government actors encouraged throughout the process?</i> - To stimulate learning and awareness of rights and duties of different stakeholders such as citizens, business, government agencies and existing grievance mechanisms, etc.? - To increase outreach or to improve the quality of policy design and follow up (watchdog institutions, civil society organisations etc)? - To increase the use of national capacity e.g. academia or local consultants for various tasks in the implementation to strengthen networks
<i>Coordination, coherency and integration</i> - To what extent is involvement of non-environmental parts of government encouraged to stimulate joint learning and better inter-sectoral coordination? - Could law enforcement bodies or other court of auditors be encouraged to play a greater role in follow up activities?
<i>In what ways does the intervention contribute to greater transparency on the sources of environmental financing and environmental expenditures?</i> - Government funding, international funding, natural resource taxes or internally generated funds such as costs of permits, etc.)

Source: Authors

4.2 Key governance aspects related to international environmental agreements

Northern environmental authorities and agencies can have multiple roles in relation to international environmental agreements. The focus in this section is on their influence on the contents, frameworks for implementation and monitoring, and coherence between MEAs, to facilitate national-level implementation by developing and transitional countries. What are the opportunities to strengthen national implementation through accountability, transparency, participation, and greater alignment to national systems as means for greater national ownership in countries where capacity and awareness is lacking?

Staff from environmental authorities generally provides technical expertise as an input to the negotiations, for instance related to pollution standards or selection of chemicals, but also related to methods for monitoring, reporting and verification. Some staff from environmental authorities may also have a mandate to discuss more political aspects such as formulation of objectives, division of responsibilities between countries, or conditions for financial support. Typically the first step involves expert meetings at national level with policy makers from implicated ministries such as Foreign Affairs, Agriculture, Energy and Environment and technical experts from the environmental protection agency and other agencies to discuss national positions. These positions feed into EU (for an EU-member state) or UN discussions in the following step.

Staff from environmental authorities may also be participating in discussions at EU, OECD or UN level, for instances Conferences of the Parties (COP). Typically they are part of a negotiation team or working group addressing specific issues under the conventions, reviewing negotiating texts, or providing practical guidance, or similar. Meetings may be held during COPs but there are also other preparatory meetings or specifically tasked working group meetings.

As stated earlier, there is an overwhelming number of different conventions and negotiations. It is widely acknowledged that the current system needs reform in order to reduce transaction costs, enable enhanced national ownership, strengthened capacity and improved environmental outcomes. Reforming the international environmental governance system is a tall order, requires joint efforts, and is an ongoing process. Often procedures stipulated under the conventions stimulate alignment with national processes, require multi-stakeholder involvement in the preparation of strategies and promotes transparency. Yet in practice, it is difficult to execute – particularly for an LDC – and often ends up as a relatively unconnected and weakly anchored process.

To influence and improve the system further towards greater national ownership and implementation it is important that these aspects are repeatedly discussed throughout the processes (e.g. preparatory meetings under a specific convention,

internal meetings within environmental authorities, during negotiations, etc.). By working closely with staff from Ministry of Foreign Affairs or development cooperation agencies, governance aspects can more efficiently be integrated into the work of environmental authorities.

Table 6 presents a selection of questions and issues to discuss, in order to reduce the implementation gap and improve environmental outcomes and country ownership, through accountability, transparency and participation under multilateral environmental agreements and conventions.

Table 6. Example of questions to improve environmental outcomes under MEAs and international negotiations

<i>What steps can be taken to improve alignment of obligations under the convention with existing national systems for planning, budgeting, monitoring, reporting and verification (MRV)?</i> - Planning cycles, budget definitions, data requirements, impact assessments, national systems for control, verification.
<i>Alignment of international obligations to national contexts.</i> - How could the convention facilitate linkages to national priorities in LDCs, such as better health, economic growth, greater resilience, improved waste management etc., and thereby increasing chances of national ownership? - How are the obligations (e.g. related to MRV) adjusted to different country contexts, such as institutional capacities? - Is the use of country systems for convention-funding encouraged?
<i>Does the convention provide sufficient opportunities for supporting national capacity for environmental management?</i> - Would national implementation improve if support is offered to translate and match the international obligations to the national context and national priorities? - Is e.g. pooling of funds encouraged, to allow multi-purpose capacity strengthening adapted to national priorities?
<i>Is support for institutional strengthening flexible enough to be linked to broader governance aspects?</i> - Such as rule of law, anti-corruption, court of justice and auditors, national statistics system of which environment is only one element.
<i>What steps can be taken to further promote interaction between ministry of environment, coordinating ministries like Finance and Planning and relevant sector ministries?</i> - Who are participating at the negotiations? Would a broader participation benefit national implementation? - Would it be possible to offer further support to LDCs for broadened and more active and strategic participation at international negotiations?
<i>Does the convention sufficiently promote stakeholder participation?</i> - Are existing processes and fora for decision making and information sharing used and strengthened? - Who is participating; are the voices of vulnerable groups, including indigenous people, minorities, women and youth heard? - How are stakeholders' views used and forwarded, are grievance mechanisms created, supported? - Is a balanced group invited to decide on priorities, increase representation, im-

prove quality and reduce corruption risks? - Who is responsible for monitoring implementation? Would implementation benefit from encouraging other stakeholders (e.g. communities, CSOs, or other) to participate in monitoring?
<i>Does the convention sufficiently promote transparency?</i> - Who is informed, when, how? - Is information about rights and obligations, environment and health links, environmental information, commitments and targets, available and accessible? Are criteria for funding, selection of priorities, project financing, implementation, results, etc. transparent?
<i>What can be done to increase harmonisation with other parts of the international environmental governance system?</i> - Are there opportunities to reduce administrative costs, improve effective and efficient use of funds, facilitate transparency and oversight?

Source: Authors

5 Conclusions

This section summarises the key conclusions from the desk study and the interviews.

Governance aspects need to be considered when aiming at improving implementation of environmental legislation and other environmental measures.

There is a growing consensus emphasising that governance aspects have a strong effect on environmental actions and outcomes. Measures that strengthen important human rights principles such as the rule of law, transparency and public participation may be equally or more important than specific environmental policies or projects in order to improve environmental outcomes. Improving environmental outcomes is thus not only dependent on legal frameworks and the capacities of the environmental authorities and sector ministries, but also largely on external factors that provide the ‘enabling environment’.

Good governance is needed to manage large flows of environmental and climate change finance. The urgency of addressing the environmental challenges, particularly related to climate change, and the associated large flows of funds that are envisaged as a response to these challenges, provide additional arguments for the need of good governance. Large flows of financial resources, coupled with an imperative to spend, can create conditions prone to corruption. Good governance is acknowledged as an important factor to prevent social ills such as corruption, social exclusion, and lack of trust in authorities.

Fragmented international governance frameworks are badly suited for addressing the implementation deficit. While several international agreements as well as non-legally binding instruments are in place, each agreement deals with specific environmental issues. The national action plans developed in line with the different international agreements are often poorly implemented, project oriented and not well integrated in national or sectoral planning and decision-making processes. Ownership can be strengthened by linking environmental outcomes to developing and transition countries’ priorities, such as economic development, poverty reduction or job creation. Furthermore, the international environmental financing is often supply-driven and fragmented, and the funders are seldom aligned with the developing or transitional country’s national systems e.g. for planning, monitoring and budgeting. The need for a bottom-up approach is increasingly recognised, where governments are accountable to the citizens. For improved implementation, country systems need to be strengthened, and the international environmental governance system more efficient.

Factors related to corruption, impartiality and government effectiveness are influential to reach positive environmental outcomes. Poor women and men, who often bear the heaviest costs of environmental degradation, tend to be dis-

persed and weakly organised in comparison to interests benefitting from the current – often unsustainable – growth path. Where, for instance, vested interests work against reforms for controlling industrial pollution or deforestation, there are often also weaker constituencies, such as affected communities, unions and environmental organisations, pushing for reform implementation. Accountability mechanisms, such as ensuring the rights to access information, public participation and access to an impartial justice system, are essential for enabling these constituencies to demand environmental improvements. Efforts to improve environmental policies must go hand in hand with efforts to reduce corruption if they are to have the intended effects. Improved accountability, transparency, public participation and integrity can reduce the risk for corruption and create trust and legitimacy which facilitates implementation of different policy instruments.

Environmental governance is cross-cutting, relates to international, national, and sub-national levels, and involves many actors. Global governance mechanisms are needed to address global challenges. However, implementation at national and sub-national level must be led by the developing and transitional countries themselves. While the public sector has a key role in the formulation and implementation of governance mechanisms, such as policies and regulations, the active participation of many other actors, free flow of information, accountability and integrity are crucial aspects for improved environmental outcomes. The important governance role of communities and other actors in between the state and the market are increasingly recognised. Many countries have decentralised natural resource management for enhanced community level participation, transparency and strengthened accountability. However, with decentralised responsibilities must follow sufficient resources - for instance information, training and financing - needed to carry out the new functions.

Context specific analysis is needed to identify key governance bottlenecks and priority interventions for environmental management. There are a wide range of potential environmental governance mechanisms, and the specific circumstances in each country will determine what needs to be strengthened and in what order. Example of context specific conditions that vary greatly are financial resources, monitoring capacity, government effectiveness, integrity of the judicial system, voice and accountability, as well as public awareness on environmental and development risks and opportunities. A context specific analysis will help identifying the steps that are possible to take to improve governance in the short, medium and long term. Improving governance is a process, and each step can be important.

Environmental authorities in OECD countries can help raise attention to broader governance issues for better environmental outcomes. There is a large need for improved capacity for environmental management. As participants in international negotiations and actors in international development cooperation, environmental authorities influence frameworks and approaches. When involved in development cooperation, a broad governance perspective should be used during

identification of capacity strengthening needs. Furthermore, governance tools such as participation and transparency should be considered as means to reach intended results while promoting governance more broadly. When contributing to international environmental frameworks, opportunities to promote the use of country systems for planning, budgeting and monitoring should be explored.

References

- Acheson, J. M., T. Stockwell, et al., 2000. Evolution of the Maine Lobster Co-Management Law. *Maine Policy Review* 9 (2):52-62.
- Ahmed, K. and E. Sánchez-Triana (Eds.), 2008, Strategic Environmental Assessment for Policies – An Instrument for Good Governance, Washington DC.
- Axelrod, R., 1984. *The Evolution of Cooperation*. New York: Basic Books.
- Biermann et al. 2011. *Transforming Governance and Institutions for Global Sustainability: Key Insights from the Earth System Governance Project*. *Earth System Governance*. Working Paper No. 17. Lund and Amsterdam: Earth System Governance Project.
- Blair, H., 2008. *Building and Reinforcing Social Accountability for Improved Environmental Governance*, in Ahmed and Sánchez-Triana, 2008 (eds).
- Bofin Peter, Mari-Lise du Preez, André Standing, and Aled Williams, 2011. *REDD Integrity. Addressing governance and corruption challenges in schemes for Reducing Emissions from Deforestation and Forest Degradation (REDD)*, U4 Report February 2011 No 1.
- Bolongaita, Emil P., 2010. *An exception to the rule? Why Indonesia's Anti-Corruption Commission succeeds where others don't – a comparison with the Philippines' Ombudsman*. U4 Issues No. 4, August 2010
- Bratton, M. & van de Walle, N., 1997. *Democratic Experiments in Africa*. Cambridge: Cambridge University Press.
- Bromley, D. W., 2005. "Purging the frontier from our mind: Crafting a new fisheries policy" in *Reviews in Fish Biology and Fisheries* 15 (3):217-229.
- Bromley, Daniel W (Ed.), 1992. *Making the Commons Work. Theory, Practice, and Policy*. San Francisco: Institute for Contemporary Studies.
- Burgess Robin, Matthew Hansen, Benjamin Olken, Peter Potapov, and Stefanie Sieber, 2001. *The Political Economy of Deforestation in the Tropics*, September 2011.
- Chene, M., 2011. *Good practice in strengthening transparency, participation, accountability and integrity*. U4 Expert Answer No. 274, 18 March 2011.

Chikozho, Claudious, 2005. *Policy and institutional dimensions of integrated river basin management: Broadening stakeholder participatory processes in the Inkomati River Basin of South Africa and the Pangani River Basin of Tanzania*. Centre for Applied Social Sciences And Programme for Land and Agrarian Studies April 2005, CASS/PLAAS occasional paper series No. 12.

Clague, C., Keefer, P., Knack, S., & Olson, M., 1996. "Property and Contract Rights in Autocracies and Democracies" in *Journal of Economic Growth* 1(2): 243-276.

Clark, H., UNDP, 2011. *Remarks at the Forth United Nations Conference on the Least Developed Countries, High Level Interactive Thematic Debate on Good Governance at All Levels*. Istanbul, 11 May 2011.

Collier, P., 2009. *Wars, Guns, and Votes: Democracy in Dangerous Places*. New York: HarperCollins.

Damania, R., P.G. Fredriksson, and J.A. List (2003), "Trade Liberalization, Corruption, and Environmental Policy Formation: Theory and Evidence" in *Journal of Environmental Economics and Management* 46(3): 490-512.

de Loë R.C., D. Armitage, R. Plummer, S. Davidson, and L. Moraru, 2009. *From Government to Governance: A State-of-the-Art Review of Environmental Governance*. Final Report. Prepared for Alberta Environment, Environmental Stewardship, Environmental Relations. Guelph, ON: Rob de Loë Consulting Services.

Drakenberg, O. and D. Slunge, 2011. *Environmental governance – Input to a new international programme for development cooperation hosted by the Swedish Environmental Protection Agency*. Centre for Environment and Sustainability, GMV, University of Gothenburg.

Esty, Daniel C., and Porter, Michael E. 2005. "National Environmental Performance: An Empirical Analysis of Policy Results and Determinants" in *Environment and Development Economics* 10 (4): 391-434.

Faure, M.G. and Raja, A.V., 2010. "Effectiveness of Environmental Public Interest Litigation in India: Determining the Key Variables" in *Fordham Environmental Law Journal*, Vol. 21, 2010.

Fredriksson, Per G., and Muthukumara Mani, 2002. *The Rule of Law and the Pattern of Environmental Protection*. IMF Working Paper 02/49. Washington, DC: International Monetary Fund.

Grindle, M. S., 2004. “Good Enough Governance: Poverty Reduction and Reform in Developing Countries”, in *Governance: An International Journal of Policy, Administration, and Institutions*, Vol. 17, No. 4, October 2004 (pp. 525–548).

Hallegatte Stéphane, Geoffrey Heal, Marianne Fay & David Treuger, 2011. *From Growth to Green Growth - A Framework*. Policy Research Working Paper 5872, Office of the Chief Economist, Sustainable Development Network, The World Bank.

Hardin, G. (1968), “The tragedy of the commons” in *Science*, Vol. 162, No. 3859, pp. 1243 – 1248.

Henry, L., 2010. *Red to Green : Environmental Activism in Post-Soviet Russia*, Cornell University Press, USA.

Holmberg S., Rothstein, B., 2011. *Quality of Government and Access to Safe Water*. QoG Working Paper Series 2011:4. Department of Political Science, University of Gothenburg, March 2011.

International Budget Partnership (IBP), 2010. *Open Budgets. Transform Lives. The Open Budget Survey, 2010*.

Iza, A. and Stein, R. (Eds.) 2009. *RULE – Reforming water governance*. Gland, Switzerland: IUCN.

Jeffrey, 2005. “Environmental governance: a comparative analysis of public participation and access to justice” in *Journal of South Pacific Law*, Volume 9 2005 - Issue 2.

Kapstein, E. B., & Converse. N., 2008. *The Fate of Young Democracies*. Cambridge: Cambridge University Press.

Kaufmann, D., A. Kraay, and M. Mastruzzi, 2010. *The Worldwide Governance Indicators; Methodology and Analytical Issues*. Policy Research Working Paper 5430, The World Bank, September 2010

Keefer, P., 2007. Clientelism, Credibility, and the Policy Choices of Young Democracies. *American Journal of Political Science*, 51(4), 804-821.

Khoday and Natarajan, 2012. “Fairness and international environmental law from below – social movements and legal transformation in India” in *Journal of international law* 2012, 25, pp 415-441

Khoday, K., 2011. *Sustainable development and Green economy in the Arab region*, UNDP Background paper

Kolstad I., Wiig, A., and Williams, A., 2008. *Tackling corruption in oil rich countries: the role of transparency*. U4 Brief February 2008 No.3. U4 Anti-corruption Resource Centre and Chr. Michelsen Institute.

Kolstad, I. and Wiig, A., 2007. *Transparency in oil rich economies*. U4 Issue 2:2007. U4 Anti-corruption Resource Centre.

Lawson, A., and Bird, N., 2008. *Government institutions, public expenditure and the role of development partners: meeting the new challenges of the environmental sector*. Final synthesis report. ODI, London, March 2008.

Milledge, S.A.H., Gelvas, I. K. and Ahrends, A., 2007. *Forestry, Governance and National Development: Lessons Learned from a Logging Boom in Southern Tanzania*. TRAFFIC East/Southern Africa / Tanzania Development Partners Group / Ministry of Natural Resources of Tourism, Tanzania.

Najam Adil, Mihaela Papa and Nadaa Taiyab, 2006. *Global Environmental Governance: A Reform Agenda*. International Institute for Sustainable Development.

OECD, 2012. *Greening development: enhancing capacity for environmental management and governance*, OECD publishing, Paris.

OECD, 2008. *Natural Resources and pro-poor growth: The Economics and Politics of Natural Resources Use in Developing Countries*., DAC Guidelines and Reference Series, ISBN 978-92-64-04182-0.

OECD, 2007. *Policies for a Better Environment. Progress in Eastern Europe, Caucasus and Central Asia*. OECD-publishing, Paris.

OECD, 2000. *Trust in Government. Ethics measures in OECD countries*. OECD-publishing, Paris.

OECD, 1999. *Donor Support for Institutional Capacity Development in Environment: Lessons learned*. OECD-publishing, Paris.

Ostrom, E., 2005., *Understanding Institutional Diversity*, Princeton University Press.

Ostrom, E., 1990. *Governing the Commons*. Cambridge: Cambridge University Press.

Ribot, J.C., 2004. *Waiting for Democracy. The Politics of Choice in Natural Resource Decentralization*, WRI Report, World Resources Institute, Washington, DC.

- Rockström et al., 2009. “A safe operating space for humanity” in *Nature* vol 461.
- Rothstein, B., 2011. “The Quality of government. Corruption, Social Trust, and Inequality” in *International Perspective*. The University of Chicago Press.
- Rothstein, B., 2005. *Social Traps and the Problem of Trust*. Cambridge: Cambridge University Press.
- Ryan, P., 2008. *Stepping into action. The second report on Citizens’ Action for accountability in water and sanitation*. A WaterAid publication (Eds. O’Connell, M., Northover, H., and Plumb, L.), July 2008.
- Sharma, 2009, Planning to deliver – Making the Rio conventions more effective on the ground Climate change, Biodiversity, Desertification, GTZ
- Siegle Joseph, 2009. Governance strategies to remedy the natural resource curse. UNESCO 2009.
- Slunge, D., and G. Ölund Wingqvist, 2011. *Governance Bottlenecks and Policy Options for Sustainable Materials Management*. Centre for Environment and Sustainability (GMV), University of Gothenburg/Chalmers University of Technology.
- Slunge, D., and E. César, 2010. *Swedish Bilateral Support to Environmental Capacity Development – Overview of Key Results and Lessons Learned*. Environmental Economics Unit, Department of Economics, University of Gothenburg.
- Stern, D.I. 2004. “The rise and fall of the environmental kutznets curve” in *World Development*, vol. 32 , 1419 .
- Søreide, T. and R. Truex, 2011. *Collaboration against corruption?: Multistakeholder groups in natural resource management*. U4 Issue 2011 No. 5.
- TEEB, 2010. *The Economics of Ecosystems and Biodiversity: Mainstreaming the Economics of Nature: A synthesis of the approach, conclusions and recommendations of TEEB*.
- Thornton, Nigel, 2011. *Realising the Potential: Making the Most of Climate Change Finance in Africa. A synthesis report from six country studies: Cameroon, Ghana, Kenya, Morocco, South Africa and Tanzania*. AfDB and OECD
- Thornton, Nigel, 2010. *Making the Most of Climate Change Finance in Asia and the Pacific. A synthesis report from five country studies in Bangladesh, Cambodia, Indonesia, Philippines and Vietnam*. Facilitated by the Capacity Development for Development Effectiveness Facility, CDDE.

Transparency International (TI), 2009. *The Anti-corruption Plain Language Guide*.

Treisman, Daniel 2000. The Causes of Corruption: “A Cross-National Study” in *Journal of Public Economics* 76 (3): 399-457.

Tropp, 2007. “Water governance: trends and needs for new capacity development” in *Water Policy* 9 Supplement 2 (2007) 19–30.

UN, 2012. *Resilient People, Resilient Planet: A Future Worth Choosing*, the UN Secretary-General’s High-level Panel on Global Sustainability, 30 January 2012.

UN Poverty Environment Initiative (PEI), 2009. “Meeting the Implementation Challenge”, Chapter 6 in *Mainstreaming Poverty-Environment Linkages into Development Planning: A Handbook for Practitioners*.

UNFCCC, 2011. *The Cancun Agreement: outcome of the work of the ad hoc working group on long-term cooperative action under the convention* (Decision 1/CP.16).

UNDP, 2010a. *Beyond the Midpoint: Achieving the Millennium Development Goals*

UNDP, 2010b. *Staying on Track: Tackling corruption risks in climate change*. 17 November 2010

UNDP, 1997. *Governance for sustainable human development*. A UNDP policy document.

Welsch, Heinz. 2004. “Corruption, Growth and the Environment: A Cross Country Analysis” in *Environment and Development Economics* 9(5): 663-93

World Bank, 2004. *World Development Report 2004: Making Services Work For Poor People*. Co-publication of the World Bank and Oxford University Press.

World Bank, 2003. *Sustainable Development in a Dynamic World: Transforming Institutions, Growth, and Quality of Life*. Washington, DC, USA.

WWDR , 2006, 2nd World Water Development Report. *Water, a shared responsibility*. United Nations.

Young, Oran. 2011. “Effectiveness of international environmental regimes: Existing knowledge, cutting-edge themes, and research strategies” in *PNAS*, 108 (50), 19853–19860.

Annex 1. List of interviewed experts

Aled Williams, U4 Anti-corruption Resource Centre, Advisor, Natural Resource Management.

Angela Bularga, OECD Environment Directorate, including: OECD Environmental Action Programme (EAP) Task force; OECD DAC/EPOC Task Team on Governance and Capacity Development for Natural Resources and Environmental Management.

David Ståhlberg, Swedish Board of Agriculture, Expert on Plant Genetic Resources

Emilia Högquist, Swedish EPA, Swedish team of the UNFCCC negotiations

Helena Looström Urban, Swedish EPA, Swedish team of the UNFCCC negotiations

Håkan Tropp, , UNDP Water Governance Facility at SIWI, Programme Director

Ida Edwertz, Swedish Ministry of the Environment, Deputy Director, Division for International Affairs

Joakim Holmdahl, Swedish Board of Agriculture, Development Cooperation Georgia

Maria Rydlund, Swedish Society for Nature Conservation , Expert Tropical Forests.

Tsegaye T. Lemma, UNDP, Anti-Corruption specialist, Democratic Governance Group

Annex 2. UN System organisational chart



Source: http://www.un.org/en/aboutun/structure/org_chart.shtml

The role of governance for improved environmental outcomes

REPORT 6514

SWEDISH EPA
ISBN 978-91-620-6514-0
ISSN 0282-7298

Climate change and escalating environmental degradation is becoming key constraints to a sustainable development. Managing the environmental challenges is important for the well-being of all citizens, particularly for the least well-off. There has been some progress in terms of policies and creation of environmental authorities and international environmental commitments. There is however, a growing gap between the commitments made and the actual implementation to improve environmental outcomes.

It is increasingly recognised that technical solutions to environmental problems are not sufficient to obtain sustainable development. Measures that strengthen important human rights principles such as the rule of law, transparency and public participation may be equally or more important than specific environmental policies or projects in order to improve environmental outcomes.

The purpose of the report is to explore the linkages between governance and the implementation of environmental legislation (including multilateral environmental agreements) and other environmental measures. The report is intended as a source of information and inspiration to individuals and organisations working with environment and development.

