



E3G

# Sustainability and Foreign Policy

Contribution to:

*'Progressive Foreign Policy: New  
directions for the UK'*

Edited by David Held and David  
Mepham.

Published by Polity Press.

Book produced by the Centre for the  
Study of Global Governance at the  
London School of Economics and  
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Research.

**Nick Mabey**

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E3G works closely with like-minded partners in government, politics, business, civil society, science, the media, public interest foundations and elsewhere.

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# Sustainability and Foreign Policy

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Environmental and resource issues should be at the very heart of a progressive approach to UK foreign policy. Foreign policy should rightly be concerned with issues of security and prosperity, but in an interdependent world that is pressing up against or exceeding many environmental and resource limits, a radically different approach will be required to achieve these traditional goals.

History is a guide to understanding the challenges facing us. A key lesson of European industrialization in the nineteenth and early twentieth centuries was that unless expanding economic opportunities are matched by a greater sense of responsibility to manage economic change equitably and sustainably, then social instability and conflict will result. The development of the British welfare state was an attempt to manage and civilize this economic process and the social and environmental dislocation to which it gave rise. We are now repeating the experiment of industrialization on a global scale, and in turn will need to manage the global difficulties this creates. Implicitly, we think of the future as being similar to our current world, albeit on a larger scale with a faster pace. However, the challenges we face today are quantitatively and qualitatively different from those of the past, and they will need to be accompanied by profound shifts in how we organize society and the economy, and in relationships between countries.

This chapter starts by highlighting the scale of the global environmental challenge, with a particular focus on climate change. It looks, too, at the

critically important linkages between environmental pressures and violent conflict. The chapter then sets out some concrete steps that a progressive UK government could take to respond to these issues. Three clear priorities are identified. First, action needs to be taken to improve the UK's own performance on environmental issues: for example, to reduce our greenhouse gas emissions, as well as to enhance the coordination and coherence of UK policy making on the environment. In this section, I also suggest that the UK should be doing more through its international development efforts to help the world's poorest countries and communities manage environmental problems and resource conflicts more effectively. Secondly, the UK should be promoting a bigger role for Europe in tackling environmental problems. Thirdly, there are measures that need to be taken at the global level, to strengthen global environmental governance and to enhance international cooperation on environmental issues. This cooperation is not just intergovernmental; there are important global initiatives involving the private sector and civil society that the UK should support strongly.

### Global environmental challenges

The world faces massive environmental challenges, with most of the major international environmental trends moving in the wrong direction. One critical factor, likely to worsen these trends still further, is the enormous growth in the global population. In the 1940s this totaled 2.5 billion; currently the figure stands at 6 billion; but in the next twenty to thirty years it could rise to between 8 and 10 billion. The next half-century will also see huge numbers of people undertaking the transition from agrarian to industrial societies. Another difference is the growth and size of the global economy and the pressure that this is putting on the earth's natural limits. The world economy has nearly doubled since the end of the Cold War, and it is on track to quadruple by the middle of this century. This implies that by 2050, global GDP will increase by eight times the cumulative growth seen between 1989 and 2006.

But as Kevin Watkins notes in chapter 4 of this volume this enormous growth in global wealth is very poorly distributed, with billions of people still living in acute poverty and with large and growing levels of inequality. Without a fundamental change in the way we generate and distribute wealth, it will be impossible to reduce these levels of poverty in the developing world or to maintain living standards in developed countries. In short, the continuation of

our existing resource-intensive and polluting economic behaviour is a recipe for global ecological catastrophe. The traditional foreign policy-making establishment, in the UK and elsewhere, has been slow to wake up to this fact and the far-reaching implications that flow from it.

A few facts serve to illustrate the scale of the problem. If present consumption patterns continue, two-thirds of the global population will live in water-stressed conditions by the year 2025. More than two thirds of the world's fish stocks are currently being fished at or beyond sustainable levels. Losses from natural disasters are now around eight times higher than in the 1960s, and an estimated 25 million 'environmental refugees' have emerged as a result of weather-related disasters. Meanwhile, poor environmental quality contributes to 25 per cent of all preventable ill-health in the world (United Nations Environment Programme 2000).

However, the single biggest environmental challenge facing the world is climate change. The impacts of global climate change are already being felt. Current levels of greenhouse gases in the atmosphere are higher than at any time in the past 650,000 years, and average global temperatures have already risen by 0.7°C since 1900 (Stern 2006). The latest report from the Intergovernmental Panel on Climate Change (IPCC) suggests that global temperatures will continue to rise over this century. The IPCC predicts that by 2100, global temperatures could increase by between 1.1°C and 6.4°C (IPCC 2007). It also suggests that sea levels are likely to rise by 28–43 cm (driving millions of people from their homes in low-lying areas), parts of the world will see an increase in the number of heatwaves and there is likely to be an increased intensity of tropical storms.

These predicted rises are extremely disturbing. There is a growing consensus that beyond a certain level the adverse impacts of climate change increase markedly (Retallack 2005). If average global temperature exceeds 2°C above the pre-industrial levels for a sustained period, then the evidence suggests that billions of people worldwide will face water shortages, crop losses will hit major food-exporting countries and irreversible damage may be done to whole ecosystems, such as coral reefs and the Amazon rainforest. Climate change will also undermine public health, with higher temperatures making it easier for diseases to spread. The worldwide risk of catching malaria could double by 2080 (Martens et al. 1999). And more frequent floods, particularly in areas of poor sanitation, increase the risk of water-borne diseases such as cholera (Pascual et al. 2000).

There are also large economic implications. Sir Nicholas Stern's review of the economics of climate change estimated that unless immediate action is taken to reduce global emissions, the overall costs and risks of climate change could amount to a permanent reduction in annual global gross domestic product (GDP) of up to 20 per cent by 2100 (Stern et al. 2006). Even this figure is likely to be an underestimate, however, as the Stern review was unable to determine the costs of climate change in reducing the supply of broad ecosystem services: for example, the role of vulnerable wetlands in removing water pollution or how climate damage to coral reefs may reduce the productivity of ocean fisheries.

For progressives, it should be a particular concern that the costs arising from worsening environmental trends will affect disproportionately the world's poorest people. Roughly three in four natural disasters – such as droughts, floods and cyclones – are weather related. And 97 per cent of deaths from natural disasters occur in developing countries (Department for International Development 2006). This is because these communities are more dependent on natural resources and more vulnerable to extreme natural events, and because they possess fewer resources with which to adapt to changing conditions. In 2000, devastating floods in Mozambique left 700 people dead and half a million homeless; as a result, economic growth fell from 8 per cent in 1999 to 2 per cent in 2000. Droughts in Kenya in the late 1990s cut GDP by over 20 per cent as hydropower capacity was reduced and crops failed.

The Millennium Ecosystem Assessment (MEA) has developed scenarios of different levels of ecosystem degradation, showing how the internationally agreed Millennium Development Goals (MDGs) for reducing poverty by 2015 could be undermined by deteriorating environmental trends. The MDG goal to halve hunger is missed in all four MEA scenarios, and progress is slowest in areas that suffer the greatest ecosystem degradation: south Asia and sub-Saharan Africa (Millennium Ecosystem Assessment 2005).

Worsening environmental trends can also increase the risks of instability and violent conflict. Though every violent conflict has its own unique dynamic based on local politics, economics and history, there are some common patterns. For example, natural resource wealth is often associated with poverty and conflict rather than economic success and stability. Over the last forty years, developing countries without major natural resources have grown two to three times faster than those with high resource endowment (World Bank 2005). Politicized revenue allocation from natural resources based around ethnic, religious or

regional lines has been a major driver of these internal conflicts. A clear example of this phenomenon is Sierra Leone in the late 1990s, where trade in 'conflict diamonds' funded rebel groups in their war against government forces.

In many other countries, politicized allocation of water and land is driving low-level conflict. This can erupt into major violence when linked to ethnic, national and other divisions. By 2025, 63 per cent of the global population will be living in countries of significant water stress. Freshwater shortages are predicted to become more acute in already unstable regions of North Africa and sub-Saharan Africa, the Middle East and central Asia. Migration away from environmentally degraded regions causes confrontation across borders and inside countries, from Africa to Latin America.

However, despite a few high-profile exceptions such as the action to control trade in 'conflict diamonds', there has been a lack of concerted international effort to address the resource and environmental roots of instability. Cases that have been addressed have required extensive campaigning from non-governmental groups to secure action. Environment and resource management issues are not yet mainstreamed into conflict prevention and development policy. In a world of rising scarcity this reactive approach will not be sufficient. The links between the environment and conflict provide an additional security rationale, alongside the economic and moral imperatives, for more concerted international action on the environment.

It should be stressed that although some of these worsening environmental trends are now well advanced, none of the worst-case scenarios is inevitable (Stern 2006). A combination of stronger national environmental management and international coordination could mitigate most of these problems. The technology and knowledge are there. A wealth of experience exists on managing environmental disputes and designing governance systems, anti-corruption measures and mechanisms for sharing resources. The fundamental challenge is to generate the political will and the national and international action necessary to address these issues. This involves highlighting the costs of inaction, which will rise the longer the action is delayed; but also focusing on the real benefits that could accrue from better environmental management. And it means learning lessons from recent successes and failures.

There is clear evidence, for example, that global environmental problems can be tackled successfully when there is a convergence of means and motives. Stratospheric ozone depletion was one such global environmental threat

addressed by the international community. The destruction of the ozone layer threatened human health, agricultural productivity and biodiversity on a massive scale. However, effective implementation of the Montreal Protocol could result in the recovery of the ozone layer to pre-1980 levels by the year 2050 (United Nations Environment Programme 2006).

Awareness of environmental problems is also increasing internationally. At the regional level, Europe has taken a lead in tackling its environmental problems. The quality of rivers, lakes and urban air, have all improved as a result of new environmental policies and standards. Emissions of pollutants contributing to acidification and eutrophication are declining. And deforestation has been arrested and reversed in many parts of the continent. Elsewhere, governments are devoting significant resources to the problems produced by climate change. For example, China has taken some recent decisive steps to try to address the problem. It has agreed far-reaching plans to increase energy efficiency by 20 per cent in five years and to source 15 per cent of its electricity from renewable sources by 2020. India is also making increasing investments in renewables. These examples may be far from typical, but they do demonstrate what is possible.

### **The UK's role: from words to action**

The UK has come a long way from when it was considered the 'dirty man of Europe'. UK international leadership on the environment was instrumental in delivering the Kyoto Protocol in 1997. More recently, the UK put climate change at the very top of its agenda for the Gleneagles Group of Eight (G8) Summit, was a powerful advocate for the World Bank's Low Carbon Investment Framework in 2005 and commissioned the influential Stern review that reported in 2006.

The UK was one of the first countries to set ambitious domestic targets to reduce greenhouse gas emissions that went further than its obligations under Kyoto: committing itself to reduce UK carbon dioxide (CO<sub>2</sub>) to 20 per cent below 1990 levels by 2010 and 60 per cent by 2050. To help secure these targets, the government made the UK the first country to adopt a domestic emissions trading scheme and it led efforts to introduce an EU trading scheme.

Since 1997, the UK government has taken steps to improve government-wide coordination and effectiveness on the environment. Environmental issues were highlighted in the International Development White Papers of 1997, 2000 and



2006. The UK has led efforts to strengthen environmental diplomacy through the creation of a dedicated department in the Foreign and Commonwealth Office (FCO), and by initiating the European Green Diplomacy Network. In 2006, the FCO adopted a new climate security goal and appointed a Special Representative on Climate Change.

The government has also sought to encourage greater involvement in sustainability issues by UK companies and investors, and with some success. UK firms and institutions have been at the cutting edge of incorporating environment and sustainable development into their core business practices. The UK has the highest level of third-party auditing of company environmental reports in the G8, and a strong environmental investment sector. The UK has pioneered approaches to sustainable finance, including the Carbon Disclosure Project. Through this scheme, major investors press companies that they invest in to measure their CO<sub>2</sub> emissions. UK non-governmental organizations (NGOs) and institutes are also leaders in developing new approaches to creating markets for environmentally sound goods and services – from timber to pensions. For its efforts in all of these areas, the government deserves credit.

However, there are other respects in which the government's record has fallen short of its ambitious environmental rhetoric. There are five areas in particular worth highlighting here, and where an enhanced effort by the UK is required.

First, a progressive UK government should be working for deeper reductions in UK greenhouse gas emissions. Although UK CO<sub>2</sub> emissions did fall until 2002, since then they have started to rise again. Instead of achieving a 20 per cent reduction in CO<sub>2</sub> emissions below 1990 levels by 2010, as it had aimed for, the government's own projections suggest it will only achieve a 16.2 per cent reduction in emissions. This is at a time when the international consensus suggests the need for much more radical CO<sub>2</sub> reductions all round. Across the board, the UK should be looking for ways to curb its emissions and to reduce damage to the environment. This obviously includes road, rail and air traffic policy, energy policy, as well as incentives for changed behaviour on the part of companies and individuals. The more that the UK is able to do at home, the more credibility it will have internationally.

Secondly, the UK should increase its funding for global environmental initiatives. The UK currently spends around £130 million annually on international environmental action, including its contribution to the Global Environment Facility, which was established in 1992 as the major international

fund for environmental action in developing countries. But the UK figure is below that of many other European countries. The recent initiatives on low-carbon technology cooperation launched at the Johannesburg Sustainable Development Summit in 2002 and the Gleneagles G8 Summit in 2005 have also been hamstrung by a lack of serious financing.

Thirdly, by building on its international development achievements of the last decade, the UK should be doing much more to help developing countries cope with environment challenges. As noted already, it is the world's poor that suffer disproportionately from bad environmental conditions and negative environmental trends. But many of the actions required to address these issues also need to be taken at the national or the local level.

There is a critical need, for example, to use development cooperation policies to help poorer countries better manage their environmental capital and services. The UK could help develop a network of governments engaged in natural wealth accounting, and develop processes for incorporating these new measures into national decision making, with a specific focus on how natural assets underpin poor people's livelihoods. The UK should also work with developing country governments to agree bilateral instruments to prevent trade in illegally harvested resources, building on the success of existing European initiatives in this area.

And the UK can and should work with other international development agencies to set standards for improving poor people's access to natural resources. This includes action to support land reform and reforms to tenure systems, and new approaches to water allocation systems and forestry-use rights. The UK could build on its existing support for government/NGO initiatives, such as the Partnership for Principle 10 ([www.pp10.org](http://www.pp10.org)). This monitors and helps to implement the rights to environmental justice, consultation and redress agreed at the Rio and Johannesburg Conferences.

The UK should further expand and deepen its Sustainable Development Dialogues with emerging economies like India, China, Mexico, Brazil and South Africa. These dialogues should become a primary vehicle for building a global politics of environmental responsibility. The existing UK partnerships with business and civil society in areas such as forestry, water, finance, energy and tourism should be examined critically and reformed or reinvigorated where necessary.

Fourthly, the UK can and should improve its internal coordination and the quality of its decision making on environmental issues. The UK should make risk management of environment and resource issues a core competence at the centre of government by building a specialized Sustainable Development Unit inside the Cabinet Office with responsibility for monitoring these risks. This could usefully work in partnership with the existing external watchdog body, the Sustainable Development Commission. Key departments should also agree a joint international strategy, ensuring that environmental and resource issues are truly mainstreamed into the main international departments.

Taking forward this ambitious agenda will require government to have new skills and expertise. Though the UK government has taken steps to open up its structures to external expertise, this has been limited. Many of these areas require high levels of professional skill and experience, and the UK has a wealth of talent to use outside government to advance its interests. The Department for Environment, Food and Rural Affairs (DEFRA), DFID and the FCO should agree on a range of civil service posts in these areas, including at least 60 per cent of senior grades, which will become permanently open to external competition.

Fifthly, there is a need for greater democratic accountability and oversight of the UK's international policy on environmental issues, starting with the creation of a clear UK international environmental strategy that includes climate change, but is wider than this. As part of broader reforms, a more powerful Parliamentary Environmental Committee could be created, combining the existing bodies, with dedicated analytical support (similar to that given to the Sustainable Development Commission.) The Climate Change Bill planned for 2007 will have a powerful and independent climate committee to oversee UK domestic action, but there is no comparable oversight of the international agenda. The Climate Committee should be given powers to examine the government's international cooperation in this area.

### **Europe as a global leader on the environment**

A progressive UK foreign policy should also promote an enhanced role for Europe on global environmental issues. At present, European energy and environmental policies are too often formulated in a narrow framework of perceived national interests. And they can be based on an outdated view of sovereignty which ignores the growing reality of interdependence. But this is a

huge missed opportunity. Europe is the only major power with the scale, resources and political clout to lead the global energy and climate agenda at the pace required. Europe also has most to lose from a world where cooperation on energy and climate security is lacking. The UK should press for a broader European perspective that looks beyond narrow institutional silos and recognizes the benefits to Europe of a more joined-up approach to energy and climate security.

The changing geopolitics of energy, illustrated by the accelerating global scramble for resources, represents a major threat to the international rules-based order. The anti-democratic changes in Russia are an example of the direction the world might move in as geopolitical competition for fossil fuels emboldens authoritarian regimes. The strengthening Chinese engagement with repressive leaders in resource rich African countries embodies an even more serious risk. China argues that it is driven to engage with these countries because it is excluded from investment in other areas by the West.

Europe has a vital interest in preventing and managing these pressures in non-military ways. A recent Pentagon study argued that, in the event of rapid climate change, the US should abandon Europe and retreat behind its natural borders of the Atlantic and Pacific (Schwartz and Randall 2003). While the ability of the US to isolate itself from climate change impacts may be exaggerated for political reasons, it does have lower vulnerability than Europe to mass migration. Europe has no realistic 'defensive' option to remove itself from the destabilizing impacts of climate change in Africa, the Middle East and Asia, and the resulting migratory and other pressures. Furthermore, the UK should argue that the successful management of global energy and climate security is not simply an issue of economics or morality, but an essential component of European strategic interest. Such leadership is required in order for Europe to preserve its future prosperity and stability while living in accordance with its fundamental values. There are two particular steps that the UK should be pressing the European Union (EU) to adopt.

First, the EU needs to reduce significantly its own carbon emissions and to reduce its dependence on imported energy. By setting an aggressive unilateral target to cut carbon emissions by 30 per cent by 2020, and putting in place the policies to deliver this, Europe could demonstrate that ambitious change is possible. Strong European action would also increase confidence in its fledgling

carbon market, which would give a clear signal to investors to develop the technologies needed for a low-carbon economy.

Secondly, Europe can help to leverage global improvements. The most optimistic scenario sees a new international climate change agreement to succeed the Kyoto protocol being negotiated in 2009–10. The EU should argue for a web of global deals on energy and climate security between major energy-consuming nations as a pragmatic step to producing a stable global regime. This could include deals with India and China on trade and investment in energy-efficient technologies, renewables and zero-emission coal power plants; deals with the US and Japan on cooperation rapidly to develop and deploy efficient aircraft and vehicle technologies; and vitally, a deal with the US on the level at which it sets a domestic cap on carbon emissions in return for access to the economic benefits of the European emissions trading market.

These relationships would provide the political, investment and trade underpinning of a new international climate change agreement. Europe can use its enormous economic weight to drive such changes, especially in its relationships with India and China. The industrial boom in China – mainly fuelled by European investment and consumption – means that it is currently building coal-fuelled power stations at the unprecedented pace of a major plant every four days. The lifetime emissions of the coal power plants built by 2030 will equal two-thirds of total global emissions over the last two decades. Europe cannot stop India and China building coal power stations to meet their energy needs, but it could help to prevent them dramatically increasing their future carbon emissions by assisting them to deploy carbon capture and storage (CCS) technologies. These remove carbon emissions and store them underground. The EU has already agreed to build a commercial-scale CCS demonstration plant with China. While this is a good first step, unless the planned completion date of 2020 is moved forward it will have little impact on climate stability. A plant could be built by 2010, if the right level of political and financial investment within Europe could be mobilized.

China has also set an extremely ambitious target of improving its overall energy efficiency by 20 per cent by 2010. It is in Europe's interest to act decisively to help China achieve this, in parallel with developing a more aggressive domestic energy efficiency policy: for example, by harmonizing efficient product standards in the EU and China and lowering relevant tariffs. The energy and climate security benefits of cheap and highly efficient Chinese appliances in

Europe outweigh any possible ‘competitiveness’ issues around tariff reduction. In the same way, Europe (and the rest of the world) has a greater interest in ensuring energy and climate security than in overprotecting intellectual property rights (IPR) around clean technologies. Fears around IPR protection are holding up EU–China and EU–India cooperation in renewable energy technologies, coal, efficiency and other areas. However, many European companies already manage access to IPR as part of their commercial and governmental relationships in China and India, showing that a strategic balance of risk and reward can be found if ultimate objectives are clear. Action in both these areas could help significantly in tackling climate change and other global environmental problems.

### **Strengthening environmental cooperation and global governance**

A progressive UK approach to environmental sustainability should also promote more effective forms of international environmental cooperation and global environmental governance.

But improving the level of international cooperation on environmental issues will involve a willingness to face up to the difficult politics surrounding this, particularly when it comes to resources. Historically, western industrialized countries have been the biggest polluters, accounting for roughly 80 per cent of CO<sub>2</sub> build-up in the atmosphere to date (World Resources Institute 2003). And this is still true today. Although emerging economies are catching up fast, more than 60 per cent of new CO<sub>2</sub> emissions globally still originate in industrialized countries, where only 20 per cent of the world’s population resides. Without a concern for equity and burden sharing, there will be no prospect of securing a global deal on climate change or many other environmental issues, between developed and developing countries. This is at its heart a problem of diplomacy and foreign policy, not of technical environmental management, and solutions will be found in Foreign Ministries rather than Environment Ministries.

The majority of investments to tackle global environmental issues – particularly climate change – will need to be carried out in rich and middle-income countries, which are the biggest part of the problem. As the Stern review has argued, the costs of doing this are significant but entirely manageable in the context of developed country budgets – around 1 per cent of global GDP by 2050 (Stern 2006).



China and India may have sufficient resources to reduce their carbon emissions, but they see responsibility for the problem lying in past emissions from developed countries, and so expect financial compensation for their actions in the short term. Poor developing countries face serious resource constraints on funding environmental action, given many other pressing calls on national resources. Funding from richer countries is therefore an essential part of the political and ethical partnership underlying successful international environmental cooperation. This should not be seen as a replacement for national political action in developing countries, but it is unrealistic and wrong to think that the action will happen without higher resource flows from developed countries.

Current estimates are that US\$60–90 billion per annum will be required to address, environmental goals over the next ten to fifteen years, excluding climate change (Poverty Environment Partnership 2005). Current adaptation costs to manage climate change in developing countries are estimated at \$10–40 billion per annum, depending on how quickly we reduce the pace of global warming (World Bank 2006). The costs of mitigating climate change to keep below a 2°C rise are higher with estimates of \$40–150 billion per annum in developing countries.

Set against this estimated cost, the international response has been pitiful. The major international financing instrument in this area – the Global Environment Facility – has delivered an average of only \$330 million per annum to developing countries over the last fifteen years, well below the 1 per cent needed. The Clean Development Mechanism, which allows private sector funding of greenhouse gas reductions in developing countries to count against emission targets in the developed world, is worth around \$3 billion per annum in additional low-carbon investment. This is less than 5 per cent of what the International Energy Agency (IEA) estimates is needed in new clean investment (IEA 2006). Developed countries, including the UK, will need to commit to higher resource transfers to the developing world in order to address this challenge and to get international agreement to a post-Kyoto deal on capping emissions.

More effective global institutions are also crucial. There is currently no lack of institutions for global environmental governance, but these have largely failed to prevent the worsening of environmental trends over the past thirty years. There are over 200 international environmental agreements supported by

cross-cutting agencies (UN Environmental Programme (UNEP), Global Environment Facility), overarching coordinating structures (Environment Management Group, Commission for Sustainable Development, UN Economic and Social Council) and the international legal framework (Environmental Chamber of the International Court of Justice). Environmental issues are included to some extent in the work of key global economic institutions (World Bank, World Trade Organization and International Monetary Fund), and official institutions are complemented by a huge number of private sector initiatives (e.g. codes of conduct, ecolabels, NGO activities). The question is: why have these bodies been ineffective in achieving their stated objectives?

One reason is that high-level leadership on environmental issues is often weak. Good environmental governance produces joint benefits, but is often frustrated by special interests both nationally and internationally: for example, the role of member nations of the Organization of Petroleum Exporting Countries (OPEC) in blocking action on climate change and the actions of national forestry interests in Asia in preventing binding global forestry standards. Overcoming these blocks requires strong leadership to identify common problems and potential benefits, and to help pull together political coalitions to solve them. International environmental agreements are poorly coordinated and weakly enforced. Each is negotiated separately – tailored to specific problems with different objectives, membership, funding and compliance mechanisms, as well as institutional and reporting arrangements.

Progress in negotiating and ratifying agreements has not translated into effective implementation at the national level. Blame has often been levied on weak enforcement mechanisms, with calls for tough World Trade Organization-style compliance and dispute mechanisms to punish free-riders. But countries seem reluctant to bring environmental disputes, even though existing institutions are available to provide legal remedies. Part of the problem lies with the developmental nature of many non-compliance issues. Lack of resources, capacity, technology and skills is often the root cause of poor implementation of environmental agreements in developing countries. Poorer developing countries will need carefully designed assistance to come into compliance rather than coercive measures which could make them poorer and would fail to benefit the environment.

A progressive UK government should also press for a series of achievable steps towards a World Environment Organization (WEO). It is unrealistic to think



that a full shift to a WEO can be achieved at once given existing political resistance in many quarters, not least the US. An evolutionary approach would see UNEP increase its status by becoming a specialized UN agency with increased levels of compulsory UN funding. Leadership could be strengthened by working to ensure that a high-level political leader is appointed, and increasing UNEP's role in the core tasks of leadership, scientific analysis, information gathering and assessment of priorities. International environmental agreements should also be clustered into functional groups, and umbrella conventions should be negotiated under UNEP to improve policy coordination.

To be effective, financing would need to be increased by broadening the mandate of the Global Environment Facility (GEF) so that it funds all international environmental agreements and reflects developing country priorities more strongly. The GEF should eventually be brought under UNEP control. The resulting organization could then be consolidated and renamed as the World Environment Organization. The guiding ethos of this WEO would be one of informed, principled and powerful leadership, and its role would be the global environmental watchdog that identifies future environmental challenges and threats to the integrity of the global commons. Much of the practical work of the WEO should be embedded in webs of agreements between a wide range of different partners from governments, business and civil society.

But securing international support for a WEO will require persuasive arguments. The Stern review has set out, more clearly than ever before, the economic consequences of failing to tackle environmental problems and the real financial benefits of doing so in the medium to long term. Stern argued that it costs between five and twenty times less to invest in reducing greenhouse gas emissions than to face the consequences of doing nothing. This analysis is profoundly important and it has the potential to shift public attitudes and the policies of governments in a way that traditional environmental arguments have so far failed to do. The UK should continue to promote this report and its analysis very assertively. The social and health consequences of climate change and other environmental problems are also becoming increasingly apparent. And as I have highlighted earlier, there is growing awareness of the security implications of a further deterioration in the global environment. Progressives should deploy all of these arguments in building support for greater international cooperation and better global governance arrangements for the environment. In essence, the case needs to be made for a new politics of

interdependence, cooperation and mutual benefit. This approach will be a challenge to the existing mindset in foreign policy, which largely continues to view issues as a process of win–lose negotiation.

There are two other areas where the UK should be pressing for stronger international environmental cooperation and institutional development. First, compliance with environmental agreements could be improved by creating an International Centre for the Settlement of Environmental Disputes (ICSED), inside UNEP, analogous to the World Bank’s investment dispute body. This would act as a mediation, arbitration, compliance and problem-solving institution. It could be specified as a referral body in any environmental treaty. This would be backed by streamlined procedures for using the environmental chamber of the International Court of Justice (ICJ), including stricter time limits, assistance for developing countries and encouraging countries to declare compulsory ICJ jurisdiction for bilateral environmental issues.

Secondly, there are a series of important global initiatives on the environment and resource management involving the private sector and civil society. As the home of many major mining and resource companies, the UK has a particular responsibility for helping tackle the negative impacts of badly managed natural resource extraction. This should build on existing UK experience and leadership in developing novel mechanisms to improve the management of natural resource extraction, like the Forest Stewardship Council and the Extractive Industry Transparency Initiative (EITI).

## Conclusion

During the last ten years, the UK has positioned itself as a global leader on the environment. Over the next decade it will need to take these what the UK is currently doing in this area is broadly along the right lines; however, it is on too small a scale and it is not backed up by sufficiently effective machinery for environmental diplomacy, finance and implementation.

By improving the UK’s own environmental performance, strengthening Europe’s role and contributing to greater international environmental cooperation and stronger global environmental governance, a progressive UK government could have a serious and constructive impact on these problems. In addition, the UK can and should do more to make use of its pre-eminent networks of non-governmental institutions in the environmental field. This

includes organizations like the Royal Society for the Protection of Birds and the World Wide Fund for Nature, scientists at Kew and the Hadley Centre, and universities and professional institutes like the Tyndall Centre. The UK is also host to the British Broadcasting Corporation and the Television Trust for the Environment, which have world-class reputations in environmental programming. The UK should exploit these assets to the full. Governmental action is crucial if we are to tackle more effectively the world's pressing environmental challenges. But the problems cannot be solved by governments alone. A diverse civil society and the private sector must also be part of a progressive response to these critical issues.

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