



Policy Brief – Reform of Global Environmental Governance to Achieve Net Zero

A Global Legal and Economic Framework to Achieve Net Zero Degradation of the Environment

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The Challenge of Global Environmental Governance

Global environmental governance in the 21st century represents a major challenge for the international community. It is clear that existing international environmental law has often been inadequate in its response to environmental degradation.

Research demonstrates that among the key reasons for this inadequacy are the following factors:

- The international community relies heavily on a system of international environmental law which does not address the root causes of environmental degradation. Generally international environmental law only addresses the symptoms of problems, rather than the causes.
- Some of the main root causes of environmental degradation can be identified in the legal and economic frameworks which underpin the way that the international community undertakes business, trade, investment, banking and finance.

Therefore, one of the keys to this challenge is to address the root causes of environmental degradation whilst developing and maintaining effective legal and economic frameworks to enable business and trade to thrive.

Research

Research using '[macro legal analysis](#)' has demonstrated that one of the bi-products of the functioning of existing international legal and economic frameworks, is the predisposition of businesses and often entire economies, to modes of operation that cause degradation to the environment.

Some of those international legal and economic frameworks date back to the early 1800s. However, in most cases they date back to the post-World War II era in which the international community faced a different range of challenges and objectives.

Those now dated frameworks, have been successful in accomplishing specific economic objectives, however they have not adapted adequately over time to meet the environmental challenges that the international community currently faces. Crucially '[macro legal analysis](#)' has shown that it is possible to re-design and adapt those legal and economic frameworks in an integrated manner to achieve net zero degradation of the environment. It also shows that such reforms would go a long way to providing an effective framework to achieve the necessary human rights standards required of business and industry.

The analysis that underpins this research helps to explain why existing approaches to protection of the environment at the international level through environmental law treaties, do not address the underlying root causes of environmental degradation. The United Nations Framework Convention on Climate Change (1992) provides an example of the type of structural failings that the analysis highlights, but there are many other examples too.

This analysis has led to the development of a draft framework treaty that could provide the basis for a comprehensive reform agenda in the field of global environmental governance. The current draft framework treaty is founded on an earlier draft that was included in the 2014 book '[A Global Environmental Right](#)' by Stephen Turner.

Results and the Draft Framework Treaty

The research has resulted in a series of coordinated recommendations that could reform existing legal and economic frameworks to align them with the need to achieve 'net zero' degradation to the environment and provide a basis to satisfy the [right to a healthy environment](#). None of the recommendations stand in isolation from each other but, if implemented, would form part of an integrated legal and economic framework designed to achieve 'net zero' whilst contributing to the full protection of human rights.

Draft Framework Treaty for Global Environmental Governance ([available here](#))

The Draft Framework Treaty includes reformed duties for state and non-state actors, reforms to the purposes of existing institutions and the adoption of international oversight and governance mechanisms. Its provisions include the following requirements:

- As a consequence of corporate registration, companies (and also other types of businesses) would be required to achieve net zero degradation of the environment.
- All companies conducting specific types of business / activities, would be required to indemnify their operations through compulsory environmental liability insurance.
- The WTO and all regional trade organisations would amend their charters / constitutions to require members to meet net zero degradation to the environment.
- All international investment agreements (IIAs) would be amended to require that all companies achieve net zero degradation to the environment.
- Banks and financial Institutions (including multilateral development banks) would amend their charters to include the above stated standards in lending policies.
- Transitional arrangements would be integrated to account for states in differing stages of development.
- A 'Responsible international Organisation' would be tasked to conduct standard setting, governance, transitional arrangements, reporting, dispute settlement and compliance functions.
- An international system of registration of companies would be instituted.
- An international system of financial and environmental reporting would be instituted for all companies – linked to an international system of corporate registration.
- An international system of suppliers of environmental insurance would be instituted to provide compulsory environmental liability insurance.

In essence the Draft Framework Treaty represents a draft realignment process to ensure that global legal and economic frameworks would be consistent in purpose and functioning with the environmental priorities of the international community. It provides the basis for further research and development.

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