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**United Nations Environment Assembly of the
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Items 5 (a) of the provisional agenda*

**Medium-term strategy, programme of work and budget,
and other administrative and budgetary issues: revisions
to the programme of work and budget for the biennium
2016–2017**

**Revisions to the programme of work and budget for the
biennium 2016–2017**

Report of the Executive Director

Summary

The present report summarizes the changes introduced to the proposed programme of work and budget for the biennium 2016–2017, subsequent to their approval by the United Nations Environment Assembly, at its first session, in its resolution 1/15. The changes are attributable primarily to the approval by the United Nations General Assembly in December 2015 of a United Nations regular budget appropriation to the United Nations Environment Programme of \$35.3 million and 116 posts, which was at a level lower than that requested by the Secretary-General.

* UNEP/EA.2/1.

I. Introduction

1. In its resolution 1/15 on the proposed programme of work and budget for the biennium 2016–2017, the United Nations Environment Assembly requested the Executive Director to submit a report to the Environment Assembly at its second session on any implications of the latest information on funding on the programme of work and budget for the biennium 2016–2017.

2. The present report provides a summary of the changes introduced to the programme of work and budget for the biennium 2016–2017, subsequent to its approval by the United Nations Environment Assembly at its first session in June 2014. The changes are attributable to the General Assembly's approval in December 2015, in its resolution 70/249, of a United Nations regular budget appropriation to the United Nations Environment Programme (UNEP) of \$35.3 million and 116 posts, which was at a level lower than had been requested by the Secretary-General, at \$45.9 million and 132 posts, as reflected in the budget that was originally submitted.

II. General Assembly decision on the United Nations regular budget appropriation to UNEP and its implications for the overall budget

3. Subsequent to the Environment Assembly approving the UNEP programme of work and budget for the biennium 2016–2017, in its resolution 70/249, the General Assembly approved an appropriation to UNEP of \$35.3 million and 116 posts from the regular budget of the United Nations. This appropriation brought the total budget for the UNEP programme of work for the biennium 2016–2017 from all funding sources to \$673 million. In comparison to the programme of work approved by the Environment Assembly in 2014 budgeted at \$683.6 million, this represents a decrease of \$10.6 million, attributable to the level of appropriation of United Nations regular budget resources to UNEP as described above.

4. The total staffing levels were also reduced from 853 to 837 reflecting the lower level of approved regular budget-funded positions. No changes are proposed to the Environment Fund budget and staffing approved by the Environment Assembly in June 2014. Table 1 summarizes the changes.

Table 1

Implications of the regular budget appropriation of the United Nations to UNEP for the programme of work for the biennium 2016–2017

(thousands of United States dollars)

	<i>Initial programme of work and budget (approved by the Environment Assembly at its first session)</i>	<i>Revised budget</i>	<i>Comments</i>
Total budget	683 625	672 988	Decreased by \$10.2 million
Total staffing levels	853	837	Decreased by 16 posts
Regular budget of the United Nations appropriation	45 937	35 331	Approved by the General Assembly
Regular budget staffing levels	132	116	21 additional posts (conversions) approved by the General Assembly
Environment Fund staffing budget	122 000	122 000	No change
Environment Fund staffing levels	450	450	No change
Global Environment Facility	118 376	118 376	No change
Trust funds and earmarked funding	225 427	225 427	No change

5. In its resolution 70/249, the General Assembly approved 21 out of the 35 posts proposed by the Secretary-General and recommended by the Advisory Committee on Administrative and Budgetary Questions for the biennium 2016–2017.¹ The 35 posts proposed by UNEP were essential to ensuring that UNEP was fully strengthened in accordance with the outcome document, entitled “The future we want”, of the United Nations Conference on Sustainable Development (Rio+20). In addition, over 80 per cent of the posts are encumbered since these are not new posts but existing posts, paid for by the Environment Fund or from earmarked funding.
6. In implementing resolution 70/249, which does not specify the locations and functions of the 21 posts, UNEP carefully analysed the 21 approved posts in the overall context of the core staff needed to deliver its programme of work.
7. UNEP reviewed the posts that should be funded by the regular budget and considered which posts could continue to be funded either by the Environment Fund or from earmarked funding, and which posts could be frozen. UNEP determined the location and function of all 21 of the approved posts. For the remaining 14 posts – those not approved by the General Assembly – UNEP will manage them within the existing cap of \$122 million through attrition and controlled recruitment in the 2016–2017 biennium.
8. UNEP will aim to ensure its targets are met with additional resources mobilized from extrabudgetary sources, especially since income trends show that the overall income will exceed the budget owing to higher than expected extrabudgetary income.
9. In addition, the costs relating to the Environment Assembly should be covered by the United Nations regular budget. This requires, however, that a request be made by the Environment Assembly in a resolution. Given that no such resolution was adopted by the Environment Assembly at its first session, the costs for the second session of the Environment Assembly will need to be paid from the budget for the biennium 2016–2017.

III. Regular budget appropriation

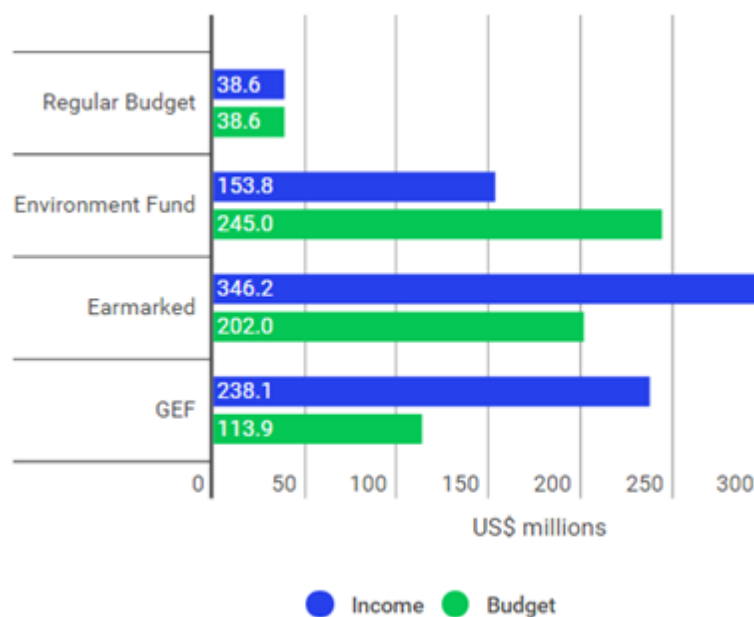
10. The figures for the regular budget have been revised to reflect General Assembly resolution 70/249, which appropriated \$35.3 million to UNEP for the biennium 2016–2017. This level of appropriation factored in the strength of the United States dollar as well as the decision to apply a vacancy factor of 50 per cent to the newly approved positions which might take a year to fill and would therefore be vacant for half the biennium.

IV. Income trends and implications for UNEP funding

11. The income received by UNEP in 2014–2015 amounted to \$786 million for the biennium 2014–2015 and future years against a projected overall budget for the biennium of \$619 million. As shown in the figure below, there is a need for a shift from earmarked funding to either non-earmarked or soft-earmarked funding.

¹ Two posts from the original budget were removed following the review by the Advisory Committee on Administrative and Budgetary Questions.

Budget and income for the biennium 2014–2015



12. Since Rio+20, the joint focus of the Committee of Permanent Representatives and the UNEP secretariat has been on strengthening the financial foundation of the Programme through the principles of secure, stable, adequate and increased financial resources in order to enable UNEP to effectively implement its programme of work.

13. The secure, stable, adequate and increased financial resources funding strategy is built on the mutual responsibility of the Member States and the UNEP secretariat for ensuring that there is a shift towards non-earmarked and soft-earmarked contributions to UNEP and that the donor base is widened. The other key elements of the strategy are delivery through partnerships, increased efficiency and effectiveness of the Programme founded on results-based management principles, as well as transparency and communication.

14. Sound progress was made in 2014–2015 towards the implementation of the secure, stable, adequate and increased financial resources funding strategy. Donors such as Norway and Sweden provided soft-earmarked or non-earmarked funding, which, while accounted for under extrabudgetary resources, are not specifically earmarked to particular projects but rather support the programme of work at the subprogramme and higher levels. Progress in 2015 on the funding strategy to support the move from earmarked to non-earmarked or soft-earmarked resources was hindered by the Programme's transition to the enterprise resource planning system, Umoja. Combined with the challenges faced by Member States in the difficult current global financial situation and the strength of the United States dollar against the other currencies in which income was received, this may have contributed to the lower levels of income received by the Environment Fund. Greater efforts will be required in order to achieve the targets of the secure, stable, adequate and increased financial resources funding strategy in the 2016–2017 biennium.

15. Regarding the 2016–2017 target budget of the Environment Fund, Member States approved a level of \$271 million, which included \$122 million for staff costs. In implementing and applying a results-based budgetary approach to the programme of work, it is even more critical to enforce the joint implementation of the secure, stable, adequate and increased financial resources funding strategy. Accordingly, in 2016 the secretariat will increase its efforts to reach out to all Member States with the intention of increasing both the level of Environment Fund contributions and the interaction with, and among, the Member States with the objective of achieving longer-term improvements in the Programme's funding.

V. Programmatic implications

16. The trend of overall income exceeding budget is expected to continue in 2016–2017, although with the implementation of the secure, stable, adequate and increased financial resources strategy, the balance between the Environment Fund contributions and earmarked contributions remains uncertain.

17. The adoption of the 2030 Agenda for Sustainable Development in September 2015 presents an opportunity for the programme of work 2016–2017 to provide a stepping stone to the 2018–2021

medium-term strategy, which fully integrates the 2030 Agenda. UNEP has analysed its programmes against the 17 Sustainable Development Goals and their associated targets that cut across disciplines, sectors and institutional mandates. Table 2 shows how the current UNEP programme of work aligns with the 2030 Agenda, with a slight modification in the disasters and conflicts subprogramme.

Table 2

Alignment of 2016–2017 expected accomplishments with the targets of the 2030 Agenda, and revised indicators

	<i>Expected accomplishment</i>	<i>Alignment with Sustainable Development Goal target</i>	<i>Additional indicator</i>
Climate change	(a) Adaptation approaches, including an ecosystem-based approach, are implemented and integrated into key sectoral and national development strategies to reduce vulnerability and strengthen resilience to climate change impacts.	1.5, 13.1	
	(b) Energy efficiency is improved and the use of renewable energy is increased in countries to help reduce greenhouse gas emissions and other pollutants as part of their low-emission development.	7.2, 7.3	
	(c) Support, in cooperation with other organizations and in accordance with their respective mandates, the implementation of REDD-plus ^a strategies and systems for information on safeguards and the development of forest monitoring systems and reference levels, so that they evolve into results-based actions that are fully measured, reported and verified and so as to reduce emissions from deforestation and forest degradation. Transformative REDD-plus strategies and finance approaches are developed.	15.2	
Disasters and conflicts	(a) The capacity of countries to use natural resource and environmental management to prevent and reduce the risk of natural and man-made disasters is improved.	1.5, 11.5, 11b, 13.1, 16.1.2	
	(b) The capacity of countries to use natural resource and environmental management to support sustainable recovery from disasters and conflicts is improved.	11b, 16.6	Percentage of country requests for emergency response met by UNEP Percentage of post-crisis recovery plans by Governments or international partners that integrate UNEP assessment recommendations (see annex for targets)
Ecosystem management	(a) Use of the ecosystem approach in countries to maintain ecosystem services and sustainable productivity of terrestrial and aquatic systems is increased.	1b, 2.1, 2.4, 3.3, 6.3, 6.5, 6.6, 7.2, 11.4, 11.6, 11a, 12.6, 12.7, 12.8, 13.3, 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14c, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 15a, 17.5, 17.14, 17.19	
	(b) Use of the ecosystem approach in countries to sustain ecosystem services from coastal and marine systems is increased.		
	(c) Services and benefits derived from ecosystems are integrated with development planning and accounting and the implementation of biodiversity and ecosystem-related multilateral environmental agreements.		

Environmental governance	(a) The United Nations system and multilateral environmental agreement bodies, respecting the mandate of each entity, demonstrate increasing coherence and synergy of actions on environmental issues.	1.4, 10.2, 11.6, 12.4, 14c, 15.6, 15.8, 15.9, 15a, 15c, 16.3, 16.6, 16.7, 16b, 17.9, 17.14, 17.16
	(b) The capacity of countries to develop and enforce laws and strengthen institutions to achieve internationally agreed environmental objectives and goals and comply with related obligations is enhanced.	
	(c) Countries increasingly mainstream environmental sustainability into national and regional development policies and plans.	
Chemicals and waste	(a) Countries increasingly have the necessary institutional capacity and policy instruments to soundly manage chemicals and waste, including the implementation of the related provisions of the multilateral environmental agreements.	3.9, 7a, 11.6, 12.4, 12.5
	(b) Countries, including major groups and stakeholders, increasingly use the scientific and technical knowledge and tools needed to implement sound chemicals management and the related multilateral environmental agreements.	
	(c) Countries, including major groups and stakeholders, increasingly use the scientific and technical knowledge and tools needed to implement sound waste management and the related multilateral environmental agreements.	
Resource efficiency	(a) Cross-sectoral scientific assessments, research and tools for sustainable consumption and production, in the context of sustainable development and poverty eradication, developed, shared and applied by policymakers, including in urban practices.	8.4, 11b, 12.1, 12.2, 12a, 17.10, 17.16
	(b) Uptake of sustainable consumption and production and green economy instruments and management practices in sectoral policies and in business and financial operations across global supply chains is increased, in the context of sustainable development and poverty eradication.	2.4, 8.4, 8.9, 9.5, 11c, 12.2, 12.3, 12.6, 12b
	(c) Enabling conditions for promoting more sustainable consumption choices and lifestyles are enhanced.	4.7, 12.1, 12.2, 12.3, 12.6, 12.7, 12.8,
Environment under review	(a) Global, regional and national policymaking is facilitated by environmental information made available on open platforms.	1.5, 2.4, 3.9, 4.7, 5a, 6.3, 6.6, 7.2, 7.3, 8.4, 9.4, 10.7, 11.5, 11.6, 11.7, 12.3, 12.4, 12.5, 13.1, 14.1, 14.3, 14.5, 15.1, 15.2, 15.3, 15.4, 15.5, 15c, 16.4, 16.10, 17.6, 17.7, 17.18, 17.19
	(b) Global, regional and national assessment processes and policy planning are informed by emerging environmental issues.	
	(c) The capacity of countries to generate, access, analyse, use and communicate environmental information and knowledge, including data related to gender aspects, is enhanced.	

^a REDD-plus refers to activities relating to reducing emissions from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

Annex

Additional indicators and targets for the programme of work 2016–2017

The indicators recommended below will be added to the disasters and conflicts subprogramme under expected accomplishment (b).

<i>Indicator</i>	<i>Target</i>
<p>(i) Percentage of country requests for emergency response met by UNEP</p> <p>Unit of measure: percentage of formal requests for UNEP assistance in the case of a natural hazard, industrial disaster or conflict received from the Government or United Nations humanitarian coordinator, where a UNEP team has been deployed either singly or as part of a joint team</p>	<p>December 2015 (baseline): tbd</p> <p>December 2016: 90 per cent (of requests received cumulatively)</p> <p>Progress expected at December 2017: 90 per cent</p>
<p>(ii) Percentage of post-crisis recovery plans by Governments or international partners that integrate UNEP assessment recommendations^a</p> <p>Unit of measure: percentage of post-crisis recovery plans integrating UNEP recommendations after six months as a rolling percentage of the total number of assessments carried out over the preceding five years</p>	<p>December 2015 (baseline): 88 per cent^b</p> <p>December 2016: 85 per cent</p> <p>December 2017: 85 per cent</p>

^a Given that the post-crisis recovery plans often take time to put in place, this indicator will describe a rolling percentage of all assessments where serious risks have been identified over a five-year period up to six months before the date of the report (i.e., a period covering from 66 months to 6 months before the performance reporting period).

^b The December 2015 baseline was uncharacteristically high in terms of the overall achievement of influence through assessments. The target for 2018–2019 is therefore pitched at a sustainable level.