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Item 6 of the provisional agenda*

**Budget and programme of work for the biennium
2014–2015 and the Environment Fund and other
budgetary matters**

Proposed medium-term strategy for the period 2014–2017

Report of the Executive Director

Addendum

Summary

The present addendum sets out the strategic focus of the proposed medium-term strategy for the period 2014–2017 of the United Nations Environment Programme (UNEP), together with the associated business strategy. It also provides information about UNEP corporate risk management and arrangements for the evaluation of the medium-term strategy.

* UNEP/GC.27/1.

I. Strategic focus for 2014–2017

1. The vision of the United Nations Environment Programme (UNEP) for 2014–2017 continues the vision of the current medium-term strategy, for 2010–2013, and is derived from its mandate to be the leading global environmental authority that sets the global environmental agenda, that promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and that serves as an authoritative advocate for the global environment.¹
2. The vision statement comprises four interrelated areas, supporting partners and countries alike:
 - (a) Keeping the world environmental situation under review;
 - (b) Providing policy advice and early warning information, based on sound science and assessments;
 - (c) Catalysing and promoting international cooperation and action, including strengthening technical support and capacity in line with country needs and priorities;
 - (d) Facilitating the development, implementation and evolution of laws, norms and standards and developing coherent interlinkages among multilateral environmental agreements.
3. UNEP recognizes the intrinsic value of the environment in serving economic and social needs and the importance of enabling natural processes to proceed in a way that can sustain these needs. It also recognizes that ecosystem health underpins human well-being, and thus poverty eradication, and that the future of humanity is inextricably linked to the planet's life support systems, through the provision of environmental goods and services. These factors underpin the vision of UNEP and are explicitly recognized in its goals for the medium-term strategy.
4. Whereas the vision statement defines the long-term ambition of UNEP, the medium-term strategy has a goal statement that expresses the focus of UNEP for a specific period, 2014–2017. For this period, the key goal pursued by UNEP is to catalyse a transition towards low carbon, resource efficient and equitable development based on the protection and sustainable use of ecosystem services, coherent environmental governance and the reduction of environmental risks for the well-being of current and future generations and the attainment of global environmental goals in order to contribute to sustainable development.
5. UNEP will achieve this goal by providing active and focused services to relevant United Nations agencies, Governments and other stakeholders in their efforts to achieve and track global environmental goals and explore the environmental dimension of existing and future sustainable development and environment goals. UNEP will do still more to ensure that environmental sustainability contributes to the goals of the other two pillars of sustainable development (social and economic).
6. In determining the focus of UNEP efforts for the next medium-term strategy, the foresight process and the fifth report in the Global Environment Outlook process (GEO-5) identified the global challenges that are likely to be witnessed during the strategy period 2014–2017. These priorities were validated against the priorities of regions. In addition, UNEP reviewed the demands for its services against the following principles:
 - (a) Need for UNEP to stay relevant in the face of emerging issues and regional and country priorities;
 - (b) Potential of UNEP to catalyse significant change based on its own comparative strength and on what UNEP can leverage based on the strengths of potential partners;
 - (c) Need for UNEP to capitalize on results already emerging with the aim of leveraging even greater impact.
7. Given these principles, over the next medium-term strategy period UNEP will place its focus on the following areas, referred to for operational purposes as its subprogrammes:
 - (a) Climate change;
 - (b) Disasters and conflicts;
 - (c) Ecosystem management;

¹ Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme, Governing Council decision 19/1, annex, para. 2.

- (d) Environmental governance;
- (e) Chemicals and waste;
- (f) Resource efficiency;
- (g) Environment under review.

These areas have been reviewed against the decisions taken by Member States in General Assembly resolution 66/288 and validated as priorities for UNEP. The conservation and sustainable use of biodiversity underpins many of these subprogrammes and each subprogramme will contribute to the achievement of the Aichi Biodiversity Targets, as indicated in the box below.

Linkage between the medium-term strategy and the Aichi Biodiversity Targets

Development of the 2014–2017 medium-term strategy for UNEP is linked to the state of the global environment and the global environmental priorities identified by the world community, through the multilateral environmental agreements and other processes. One such global environmental priority is the Strategic Plan for Biodiversity for 2011–2020 adopted by the Parties to the Conference on Biological Diversity.

The Strategic Plan for Biodiversity is an overarching international biodiversity framework for the engagement of all stakeholders with the purpose of inspiring broad-based action in support of biodiversity over the next decade. The Plan promotes the coherent and effective implementation of the three objectives of the Convention and its overall vision is to ensure that by 2050 biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people. As such it is in line with and complementary to the UNEP 2014–2017 medium-term strategy.

Comparison of the strategic focus and expected accomplishments of the 2014–2017 medium-term strategy and the Aichi Biodiversity Targets of the Strategic Plan for Biodiversity 2011–2020

<i>Medium-term strategy</i>		<i>Relevant Aichi Biodiversity Targets</i>
<i>Strategic focus</i>	<i>Expected accomplishment</i>	
Climate change	1. Climate resilience	Target 10 (Pressures on vulnerable ecosystems reduced), 15 (Ecosystems restored and resilience enhanced)
	2. Low emission growth	Target 4 (Sustainable consumption and production)
	3. REDD-plus	Targets 5 (Habitat loss halved or reduced) and 15 (Ecosystems restored and resilience enhanced)
Disasters and conflicts	1. Risk reduction	Target 2 (Biodiversity values integrated)
	2. Response and recovery	
Ecosystem management	1. Production	Targets 7 (Sustainable agriculture, aquaculture and forestry), 14 (Ecosystems and essential services safeguarded)
	2. Marine issues	Targets 6 (Sustainable management of marine living resources), 7 (Sustainable agriculture, aquaculture and forestry) and 14 (Ecosystems and essential services safeguarded)
	3. Enabling environment	Targets 2 (Biodiversity values integrated) and 11 (Protected areas increased and improved)
Environmental governance	1. Coherence and synergies	Target 16 (Access and benefit-sharing) Target 17 (NBSAPs adopted as policy instrument) National biosafety frameworks
	2. Law	
	3. Mainstreaming environmental sustainability	Target 2 (Biodiversity values integrated)
Chemicals and waste	1. Enabling environment	Target 8 (Pollution reduced)
	2. Chemicals	Targets 8 (Pollution reduced) and 19 (Knowledge improved, shared and applied)
	3. Waste	

Resource efficiency	1. Enabling environment	Targets 4 (Sustainable consumption and production), 7 (Sustainable agriculture, aquaculture and forestry) and 19 (Knowledge improved, shared and applied)
	2. Production and supply	Targets 4 (Sustainable consumption and production), 7 (Sustainable agriculture, aquaculture and forestry)
	3. Lifestyles	Target 1 (Awareness increased)
Environment under review	1. Assessment	Targets 17 (NBSAPs adopted as policy instrument) and 19 (Knowledge improved, shared and applied)
	2. Early warning	
	3. Information	

8. Current work by UNEP to gain a better understanding of how the green economy might work in the context of sustainable development and poverty eradication shows that the integration of the environment across economic and social agendas can achieve significant results. In the next medium-term strategy, the aspiration to green the economy is expected to be integrated into all subprogrammes. In order to ensure consistency, however, the resource efficiency subprogramme will continue to host this important area and maintain its coherence across the medium-term strategy.

9. One of the core mandates of UNEP is continuously to keep the world environmental situation under review in a systematic and coordinated way, supporting Member States by tracking progress against internationally agreed environmental goals such as the Strategic Plan for Biodiversity 2011-2020 and its Aichi Biodiversity Targets in consultation with the secretariats of the multilateral environmental agreements, and to provide early warning information on emerging issues, for informed decision-making by policy makers and the general public. A new subprogramme on the issue of “Environment under review” is proposed, to provide credible and state-of-the-art scientific knowledge and to share this information with a view to empowering societies to move towards an environmentally sustainable future.

10. Within each of the subprogrammes, UNEP has refined its ambition to enable the organization:

- (a) Further to focus its work within each of the subprogrammes and ensure internal coherence across divisions and branches in the organization;
- (b) To ensure that the level of ambition of the expected accomplishments is reflected in result statements that are attributable to the efforts of UNEP;
- (c) To ensure synergies between the subprogrammes.

A. **Climate change: moving towards a climate-resilient, low-carbon future**

11. The risks of climate change are well documented and its impacts are already affecting people and ecosystems. Meeting the climate challenge requires individuals and institutions – both public and private – to be able to assess and understand climate change, design and implement adequate policies and take action on climate-resilient and low-emission growth.

12. UNEP supports countries and institutions in their efforts to meet this challenge through targeted interventions to promote and finance ecosystem-based approaches to adaptation, to finance and increase the use of clean and renewable energy and technologies, and to capitalize on the opportunities for reducing emissions from deforestation and forest degradation. By building on its strong science foundation, UNEP also helps to improve awareness and understanding of climate-change science for policy-making and action.

1. **Environmental outlook**

13. Thanks to the scientific work of the Intergovernmental Panel on Climate Change and of thousands of scientists and researchers and to awareness-raising efforts by civil society, the world recognizes the urgency of the climate challenge. Emissions continue to rise, however, and pledges of action fall short of the levels which science suggests are necessary.

14. As the world seeks solutions to climate change, UNEP and its partners are working to ensure that no country is left behind, and that all are equipped to move to climate-resilient, low-emission societies.

2. Objective

15. The objective of the climate change subprogramme is to strengthen the ability of countries to move towards climate-resilient and low emission pathways for sustainable development and human well-being.

3. Expected accomplishments

16. The expected accomplishments under this subprogramme are the following:

(a) Expected accomplishment 1: climate resilience. Ecosystem-based and supporting adaptation approaches are implemented and integrated into key sectoral and national development strategies to reduce vulnerability and strengthen resilience to climate change impacts;

(b) Expected accomplishment 2: low emission growth. Energy efficiency is improved and the use of renewable energy is increased in partner countries to help reduce greenhouse gas emissions and other pollutants as part of their low emission development pathways;

(c) Expected accomplishment 3: REDD-plus. Transformative strategies for and finance approaches to the enhanced mechanism for reducing emissions from deforestation and forest degradation in developing countries (REDD-plus) are developed and implemented by developing countries that aim at reducing emissions from deforestation and forest degradation and bringing multiple benefits for biodiversity and livelihoods.

4. Strategy

17. Within the United Nations approach to climate change, UNEP will catalyse efforts by the United Nations and other partners – including the private sector – to build the resilience of countries to climate change through ecosystem-based and other supporting adaptation approaches; promote the transfer and use of energy efficiency and renewable energy technologies; support the development and implementation of national low-emission strategies; and support the planning and implementation of initiatives to reduce emissions from deforestation and forest degradation to enable countries to move to a green economy in the context of sustainable development and poverty eradication.

18. UNEP will achieve this through scientific assessments; providing policy, planning and legislative advice; facilitating access to finance; pilot interventions; promoting integration of better approaches in national development planning processes; fostering climate change education, outreach and awareness raising; knowledge-sharing; and supporting the Framework Convention on Climate Change process and implementation of commitments to complement other processes.

B. Disasters and conflicts: reducing the environmental risks and impacts of crises

19. UNEP is internationally recognized for its achievement in helping countries to minimize threats to human health, livelihoods and security from the environmental causes and consequences of disasters and conflicts. In the aftermath of a crisis, critical natural resources on which entire communities depend are often degraded or destroyed. Assessments to gauge the risks posed by these environmental impacts form the foundation of the response by UNEP. The findings of these assessments are used to catalyse recovery programmes that address environmental needs in support of broader recovery and development priorities.

20. UNEP also works to help countries address environmental degradation and mismanagement as an underlying risk factor for disasters and conflicts, by providing risk assessments, sharing best practices in sustainable natural resource management, and giving technical support to key risk reduction, crisis prevention and peacebuilding partners.

1. Environmental outlook

21. At least 40 per cent of all intra-State conflicts over the last 60 years have had a link to natural resources; over 90 per cent of major armed conflicts between 1950 and 2000 occurred in countries containing biodiversity hotspots and more than 80 per cent of those took place directly within hotspot areas.

22. Development gains are under threat globally from increasing disaster risk. In some countries, the risk of losing wealth in disasters exceeds the rate at which wealth is being created.

2. Objective

23. The objective of the disasters and conflicts subprogramme is to promote a transition within countries to the sustainable use of natural resources and efforts to reduce environmental degradation,

to protect human well-being from the environmental causes and consequences of disasters and conflicts.

3. **Expected accomplishments**

24. The expected accomplishments under this subprogramme are the following:

(a) Expected accomplishment 1: risk reduction. The capacity of countries to use natural resource and environmental management to prevent and reduce the risk of disasters and conflicts is improved;

(b) Expected accomplishment 2: response and recovery. The capacity of countries to use natural resource and environmental management to support sustainable recovery from disasters and conflicts is improved.

4. **Strategy**

25. As a part of United Nations system-wide strategies for disaster risk reduction and preparedness, conflict prevention, post-disaster and post-conflict response, recovery and peacebuilding, UNEP will provide environmental risk and impact assessments, policy guidance, institutional support, training and mediation services, and will also pilot new approaches to natural resource management. In doing so, UNEP will seek to catalyse a strengthened response by partners working with countries on risk reduction, relief and recovery, including United Nations humanitarian and peacekeeping operations, as requested in Governing Council decision 26/15.

26. UNEP will also continue to promote the integration and prioritization of environmental considerations within relevant inter-agency policy and planning processes and promote green economy approaches in United Nations work on recovery in the context of sustainable development and poverty eradication.

C. **Ecosystem management for development**

27. How ecosystems are managed at all scales from local to global, will have significant impacts on the way in which water, food security and other ecosystem services are affected. Worldwide expertise and partners will be enlisted by UNEP in supporting countries' efforts to promote the integrated management of land and water for the provision of ecosystem services, including freshwater efficiency and food security. Together with its partners, UNEP will also support ecosystem approaches to improve the management of coasts, oceans and associated fish stocks.

1. **Environmental outlook**

28. There is a need to enhance the security and safety of the world's food supply and quality of water, while preserving the integrity of ecosystems. Increasing needs for food security, shelter and employment for growing populations mean that ecosystem services must be managed across environmental and economic agendas.

29. The degradation of forests, mountains, inland waters, coastal and oceanic ecosystems will require better management approaches to meet multiple needs if countries are to achieve the Aichi Biodiversity Targets.

2. **Objective**

30. The objective of the ecosystem management for development subprogramme is to promote a transition to integrating the management of land, water and living resources, with a view to maintaining biodiversity and providing ecosystem services sustainably and equitably among countries.

3. **Expected accomplishments**

31. The expected accomplishments under this subprogramme are the following:

(a) Expected accomplishment 1: production. Increased use is made of the ecosystem approach in countries, with a view to maintaining ecosystem services and the sustainable productivity of terrestrial and aquatic systems;

(b) Expected accomplishment 2: marine issues. Increased use is made of the ecosystem approach to sustain ecosystem services from coastal and marine systems;

(c) Expected accomplishment 3: enabling environment. Services and benefits derived from ecosystems are integrated with development planning and accounting, particularly in relation to wider landscapes and seascapes and the implementation of biodiversity-related multilateral environmental agreements.

4. Strategy

32. To meet the challenge of feeding and clothing a growing population while supporting efforts by countries to develop greener economies in the context of sustainable development and poverty eradication, UNEP will work with the secretariats of biodiversity-related multilateral environmental agreements, and lead United Nations partners and others in catalysing the uptake of the ecosystem approach, including use of traditional ecological knowledge. The aim is to help ensure the conservation and sustainable use of biodiversity and strengthen the resilience and productivity of ecosystems, in particular for food security and water. UNEP will also catalyse the increased use of the ecosystem approach for managing coastal and marine ecosystems, particularly coral reefs, to maintain ecosystem services, building on the foundation of the UNEP regional seas conventions and programmes.

33. UNEP will strengthen the enabling environment for ecosystem management, including transboundary ecosystems, at the request of concerned countries. The aim is to help ensure the conservation and sustainable use of biodiversity, based on the Strategic Plan for Biodiversity 2011-2020 and its Aichi Biodiversity Targets, adopted by the Convention on Biological Diversity as an overarching framework on biodiversity for all stakeholders, and other biodiversity targets linked to multilateral environmental agreements.

34. UNEP will support development planning to create the enabling environment for the implementation of biodiversity-related multilateral environmental agreements and collaborate with the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and multilateral environmental agreement secretariats to improve links between science and policy. UNEP will support countries in their endeavour to use data on ecosystem services in mainstreaming ecosystem services in development planning, which promote a green economy in the context of sustainable development and poverty eradication.

D. Environmental governance: transforming environmental governance

35. The state of the environment is in great part determined by the way in which the environment is governed. Policies and laws create the enabling environment for better governance of the environment. UNEP will help maximize the efficiency of international governance by promoting coherence in the way environmental issues are addressed in the United Nations and in multilateral environmental agreements.

36. At the national level and in partnership with relevant United Nations agencies, UNEP will help countries develop and implement policies and laws to improve their environmental governance and will offer them legal and technical support in their efforts to integrate environment into development policies.

1. Environmental outlook

37. The current system of international environmental governance, in which the multilateral agreements are poorly coordinated with one another, should be strengthened to meet the needs of the twenty-first century. The system of environmental governance lacks the representativeness, accountability and effectiveness necessary for the transition to sustainability. A much higher level of participation and transparency is needed.

2. Objective

38. The objective of the environmental governance subprogramme is to strengthen synergies and coherence in environmental governance, with a view to facilitating the transition towards environmental sustainability in the context of sustainable development.

3. Expected accomplishments

39. The expected accomplishments under this subprogramme are the following:

(a) Expected accomplishment 1: coherence and synergies. The United Nations system and the multilateral environmental agreements, respecting the mandate of each entity, demonstrate increasing coherence and synergy of actions on environmental issues;

(b) Expected accomplishment 2: law. 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) Expected accomplishment 3: mainstreaming environmental sustainability. Countries increasingly mainstream environmental sustainability in national and regional development policies and plans.

4. Strategy

40. UNEP will promote coherence and synergy in environmental governance by providing technical support to the United Nations system and multilateral environmental agreements, taking advantage of United Nations coordination mechanisms, in particular the Environmental Management Group, to strengthen the coordination of actions on environmental policies and programmes and multilateral environmental agreement priorities within the United Nations system.

41. UNEP will support efforts by countries to increase the number of regional and national development plans, policies and budgets that incorporate principles of environmental sustainability and the commitments under multilateral environmental agreements, and will assist with the implementation of such measures in targeted countries and regions. UNEP will also help countries to strengthen their environmental institutions and laws. It will provide technical support to countries in developing and reporting on the environmental aspects of sustainable development goals. UNEP will strengthen the science-policy interface in this work. It will also work towards facilitating the increased participation of stakeholders in environmental decision-making processes, and promote access to justice along the lines of Principle 10 and other relevant principles of the Rio Declaration.

E. Chemicals and waste: sound management of chemicals and waste

42. Societies continue to experience the severe consequences of unsound chemicals management. UNEP will exercise its leadership in assisting countries in developing the sound management of chemicals and waste, offering technical support that aims to catalyse the actions of its partners in minimizing the risks of chemicals and waste.

1. Environmental outlook

43. The risks to the environment and human well-being of increasing levels of harmful chemicals and waste are likely to grow.

2. Objective

44. The objective of the chemicals and waste subprogramme is to promote a transition among countries to the sound management of chemicals and waste, with a view to minimizing impacts on the environment and human health.

3. Expected accomplishments

45. The expected accomplishments under this subprogramme are the following:

(a) Expected accomplishment 1: enabling environment. Countries increasingly have the necessary institutional capacity and policy instruments to manage chemicals and waste soundly including the implementation of related provisions of the multilateral environmental agreements;

(b) Expected accomplishment 2: chemicals. Countries, including major groups and stakeholders, make increasing use of the scientific and technical knowledge and tools needed to implement sound chemicals management and the related multilateral environmental agreements;

(c) Expected accomplishment 3: waste. Countries, including major groups and stakeholders, make increasing use of the scientific and technical knowledge and tools needed to implement sound waste management and the related multilateral environmental agreements.

4. Strategy

46. UNEP will work to increase countries' capacities to manage chemicals and waste, including e-waste, within a coherent life-cycle approach. It will work to promote and catalyse system-wide efforts by the United Nations to lessen the environmental and human health impacts of chemicals and waste, doing so in close collaboration with the secretariats of chemicals and waste-related multilateral environmental agreements. UNEP will catalyse support from United Nations partners to increase countries' capacity to manage chemicals and waste, including e-waste, within a coherent life-cycle approach where necessary.

47. UNEP will help requesting countries improve and enforce their regulatory and institutional framework for the sound management of chemicals and wastes. This will include servicing the Strategic Approach to International Chemicals Management and the future international legally binding instrument on mercury. UNEP will also seek to enhance cooperation and coordination in the chemicals and waste cluster.

48. UNEP will keep under review emerging issues and trends in chemicals production, use and release, and promote and catalyse implementation of the sound management of chemicals and waste, including through multi-stakeholder partnerships.

F. Resource efficiency: accelerating the transition to resource efficient societies

49. Applying the principles of “doing more with less” or “decoupling” natural resource use and environmental impacts from economic growth is key to overcoming the pressing challenge of growing resource consumption levels. UNEP is well positioned to support the transition by countries and partners to a green economy, to use opportunities for cleaner investments and green jobs to address poverty and enhance human well-being.

50. UNEP will use its expertise in assessing trends in the extraction and use of resources in the global economy to enable informed policy-making, and support Governments in implementing national and local solutions through regulatory and economic instruments and policy initiatives. Using insights from scientific and macroeconomic analyses as leverage, UNEP will identify investment opportunities for alternative business models and improvements across the life-cycle in the processes of existing, resource intensive industries and supply chains using its convening power to build partnerships to catalyse change on the ground from production to consumption.

1. Environmental outlook

51. Globally, more resources are being extracted to produce goods and services than the planet can replenish, while a large share of an increasingly urban world population is still struggling to meet basic needs. Accordingly, countries will be increasingly challenged by a resource scarcity that will affect economic growth.

2. Objective

52. The objective of the resource efficiency subprogramme is to promote a transition in which goods and services are increasingly produced, processed and consumed in a sustainable way that decouples economic growth from resource use and environmental impact, while improving human well-being.

3. Expected accomplishments

53. The expected accomplishments under this subprogramme are the following:

(a) Expected accomplishment 1: enabling environment. Cross-sectoral scientific assessments, research and tools for sustainable consumption and production and green economy are developed, shared and applied by policymakers, including in urban practices in the context of sustainable development and poverty eradication;

(b) Expected accomplishment 2: sectors and supply. 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;

(c) Expected accomplishment 3: lifestyles. Enabling conditions for promoting more sustainable consumption choices and lifestyles are enhanced.

4. Strategy

54. UNEP will work with partners and United Nations sister agencies to strengthen the scientific basis for decision-making and provide policy advice to Governments and the private sector to support a transition to a green economy in the context of sustainable development and poverty eradication. UNEP will develop national and city-level capacities to accelerate the development of more sustainable consumption and production patterns. It will also assess material flows, resource pressures and impacts and support for efforts to integrate the findings of the International Resource Panel into policy and decision-making processes.

55. UNEP will also catalyse efforts that advance sustainability within and across the entire supply chain of services and manufactured goods, known as global value chains. It will develop favourable policy and market incentives, alongside information tools that enable more sustainable lifestyles.

56. In addition, UNEP will prioritize support to the ten-year framework of programmes on sustainable production and consumption patterns adopted at the United Nations Conference on Sustainable Development.

G. Environment under review

57. As the leading organization in the United Nations system that keeps the world environmental situation under review, UNEP uses this expertise to facilitate global, regional and national policymaking and to set the global environmental agenda. UNEP will also use its expertise to provide early warning information on emerging environmental issues, to inform decision-making by policymakers and the public.

1. Environmental outlook

58. Emerging issues must be tracked to ensure early action where needed: inadequacies in links between policy and science communities could hinder decision-making. The expanding coverage of information systems and networks will provide unique and cost-effective opportunities to link science and information to enhance capacities for decision-making.

2. Objective

59. The objective of the environment under review subprogramme is to empower stakeholders in their policy and decision-making by providing scientific information and knowledge and keeping the world environment under review.

3. Expected accomplishments

60. The expected accomplishments under this subprogramme are the following:

- (a) Expected accomplishment 1: assessment. Global, regional and national policymaking is facilitated by making environmental information available on open platforms;
- (b) Expected accomplishment 2: early warning. Global, regional and national assessment processes and policy planning are informed by emerging environmental issues;
- (c) Expected accomplishment 3: information. The capacity of countries to generate, access, analyse, use and communicate environmental information and knowledge is enhanced.

4. Strategy

61. UNEP will set the global environmental agenda by delivering assessments that integrate environmental, economic and social information to assess the environment, identify emerging issues and track progress towards environmental sustainability in consultation with multilateral environmental agreement secretariats. UNEP will use its position in the Environmental Management Group to catalyse action based on its findings.

62. UNEP will work to support capacity-building efforts in developing countries that commit themselves to environmental monitoring and the posting of environmental data and information on public platforms, as appropriate, in line with Principle 10 of the Rio Declaration. In addition, UNEP will work towards the increased participation of stakeholders in environmental decision-making processes, including the generation, analysis, packaging, availability and dissemination of integrative environmental information. UNEP is committed to disseminating the information in the relevant working languages and will deploy increased efforts to make available its official documents in all official languages of the United Nations.

II. Business strategy

A. UNEP business model

63. UNEP is a programme of the United Nations, with its own governing body: it has the status of a subsidiary body of the United Nations General Assembly. Its mandate was formulated by the General Assembly in resolution 2997 (XXVII) of 15 December 1972, by which the Assembly established the Programme, and also in successive decisions by Member States, to act as the authority for the environment across the United Nations system, including its funds, programmes and specialized agencies. This authority and responsibility have been further enhanced through the Rio+20 outcome document and Assembly resolution 67/213 of 21 December 2012, by which the Assembly established, in particular, universal membership of the UNEP governing body.

64. As both a normative and operational entity, UNEP coordinates its work and exercises leadership in the area of the environment in the United Nations system and beyond through such partnerships and existing coordination mechanisms as the following:

- (a) United Nations System Chief Executives Board for Coordination: High-level Committee on Programmes, High-level Committee on Management and United Nations Development Group;

- (b) Strengthened support to the Environmental Management Group process;
- (c) Partnerships with multilateral environmental agreements.

65. The authority of UNEP authority vis-à-vis the United Nations system and beyond cannot be imposed by legislation: the Rio+20 outcome document and General Assembly resolution 66/288 merely provide its mandate and legitimacy, but the exercise of this leadership must be sustained by competence and capacity, including in managerial terms. In managing its secretariat, UNEP is guided by United Nations regulations; rules applicable to UNEP, along with the guidelines of the High-level Committee on Management and the United Nations Development Group to which it has adhered. UNEP regulations and rules are established by its governing body in response to proposals from the UNEP secretariat, working in consultation with Member States; the procedures for the application of these regulations and rules are issued by the Executive Director. In the absence of specific rules or procedures, those of the United Nations Secretariat apply by default.

66. The approach to management followed by UNEP moves through partnerships, maximizing value for money, and minimizing fixed costs. In operational terms, strategic leadership planning functions, the setting of norms and standards, and oversight (monitoring, evaluation and quality assurance) functions are carried out in house, under the direct management of UNEP staff, at both corporate and divisional levels. Where implementation is concerned, direct implementation by UNEP is only envisaged after other preferred options, such as partnership with other United Nations entities, major groups and governmental bodies, have been explored and it has been concluded that direct intervention by UNEP staff is clearly the most effective solution in comparative terms.

67. The fundamental principles underlying the approach taken by UNEP to delivering the expected accomplishments under each of its subprogrammes by the end of 2017 are therefore:

- (a) Catalysing transformative change, in particular through the United Nations system;
- (b) Leveraging measurable impact through partnerships;
- (c) Responding to demand for services at national, regional and global levels.

68. To achieve this, UNEP has identified six main service lines that are based on its comparative advantages. These comparative advantages include the following:

- (a) UNEP serves as the authoritative voice on the global environment and constitutes the high-level environment policy forum within the United Nations system;
- (b) UNEP has the power to convene gatherings addressing the full range of environmental issues and has extensive experience in establishing networks with Governments, United Nations entities, international institutions, the broad scientific community, civil society and the private sector;
- (c) UNEP has extensive experience in working with scientific and technical communities and at the science-policy interface, including in providing integrated environmental assessments for priority setting and decision-making;
- (d) UNEP has a long history of supporting multi-stakeholder international environmental law and policy processes and of promoting regional cooperation to tackle emerging and transboundary environmental issues;
- (e) UNEP has long-standing links with ministries of the environment, regional environmental bodies and the business and private sector in environmental issues, including strong linkages to key environmental bodies through its establishment and hosting of the secretariats of multilateral environmental agreements, its provision of secretariat support for the Scientific and Technical Advisory Panel (STAP) of the Global Environment Facility (GEF); it also has partnership agreements with collaborating centres of excellence, it hosts the secretariat of many partnership initiatives and has its own network of regional offices;
- (f) UNEP has valuable experience in the use of interdisciplinary approaches to tackle environmental issues, including the interlinkages between environmental change, development and human well-being;
- (g) UNEP plays a central role in the United Nations system in efforts to deal with the environment, and in achieving coherence in that domain, through its participation in numerous inter-agency boards, partnerships and other inter-agency mechanisms.

69. The UNEP service lines are based on these comparative advantages and help clarify what UNEP should and should not do; in addition, they support the monitoring and prioritizing of deliverables. By ensuring that outputs and projects are defined with service lines in mind, and based

on demand from countries and United Nations agencies for such services, UNEP will also be able better to define what it delivers globally, nationally and regionally, and to improve the coherence and quality of its work within each service area. These service lines are the following:

(a) *Leveraging sound science for policy and decision-making.* UNEP will provide environmental assessments, early warning information and analysis of environmental contributions to social and economic development in support of efforts to mainstream environmental sustainability into policy and decision-making beyond the environment sector. UNEP will use the services of the Environmental Management Group to channel scientific information across the United Nations system;

(b) *Providing technical assistance for environmental law, policy and planning.* On request from countries, UNEP will provide technical guidance and support for global, regional and national environmental law and policy development, together with legal support to help advance the implementation and monitoring of agreed international norms and guidelines. This service line will include advisory services in key areas of institution-building, public environmental expenditure review, and also national budgeting, planning and programming processes, working with and through resident coordinators, United Nations country teams and relevant inter-agency groups;

(c) *Promoting United Nations system-wide coherence on environmental matters.* UNEP will work to transform the way in which the United Nations system handles environmental matters. It will strengthen its leadership in key United Nations coordination bodies and will lead efforts to formulate United Nations system-wide strategies on the environment and enhance United Nations system-wide coherence on environmental matters. UNEP also aims to integrate environmental safeguards into international programmes and to support the “Delivering as one” approach at the national and regional levels. The aim is to capitalize on the strengths and reach of the agencies in the United Nations system to maximize the potential for environmentally sound development;

(d) *Raising awareness and outreach.* This service line will focus on knowledge-sharing, the use of networks and other tools such as events, environmental education, training and access to information to raise awareness and communicate on relevant issues with a wide range of stakeholders, in line with Principle 10 of the Rio Declaration and the Communiqué of the Intergovernmental Conference on Environmental Education for Sustainable Development, held in Tbilisi in September 2012;

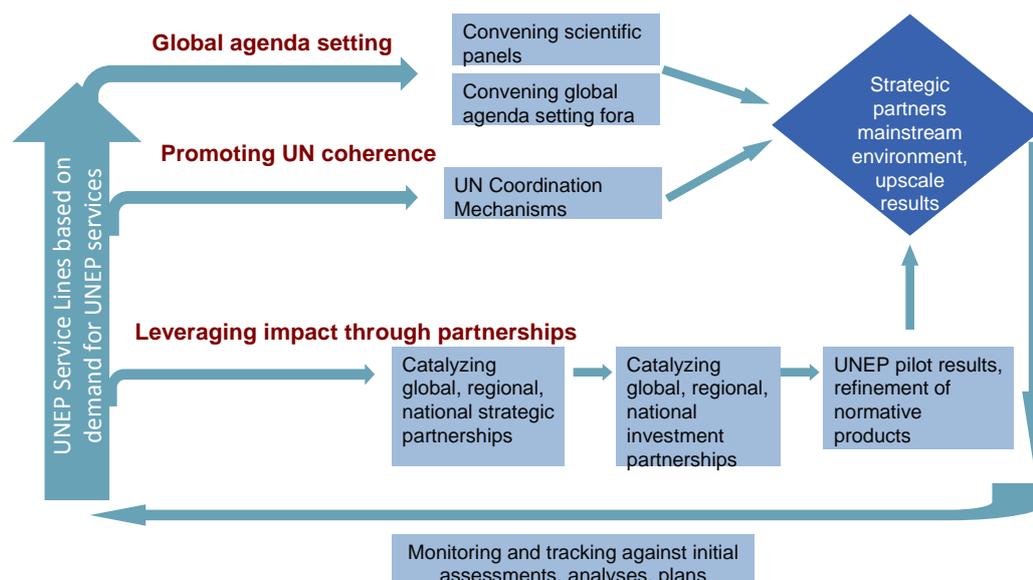
(e) *Testing innovative solutions and technologies and scaling up results through partnerships.* On request from countries, UNEP will support the development of norms, guidelines, innovative tools and approaches to help countries pilot-test them, build country capacity and promote efforts to scale up these solutions and technologies through strategic partnerships;

(f) *Facilitating access to funding for the environment.* UNEP will facilitate access to finance for environmental action by “greening” national finance, building country capacity for environmentally sustainable investment, and facilitating country access to private sector funds and multilateral funds, such as GEF, the Multilateral Fund for the Implementation of the Montreal Protocol, the Adaptation Fund under the Framework Convention on Climate Change and others.

70. The delivery of work by UNEP along these service lines will not by itself achieve any of the expected accomplishments in the medium-term strategy. The figure below illustrates how the expected accomplishments are to be delivered. UNEP will offer the above services lines to support Governments and other United Nations agencies, while leading efforts to achieve United Nations system-wide coherence on environmental issues and to leverage impact through partnerships. UNEP will also monitor and track these impacts to be able to identify change, adjust its business model, enhance its effectiveness and efficiency and communicate achievements and lessons learned. These themes will run through all the UNEP subprogrammes.

71. UNEP will make full use of strategic partnerships to catalyse transformative change and leverage impact to contribute to significant results across the globe. Thus, while UNEP may pilot tools and methods, measures to scale up their use by partners will be designed at the outset to leverage impact through partnerships. This principle will underline how UNEP uses its services to deliver each subprogramme.

UNEP business model and operations strategy



72. Under the medium-term strategy for 2014–2017, UNEP must ensure that results-based approaches are fully integrated, from both the strategic and operational standpoints. In a system where results-based management is mainstreamed and accountability for results is the norm, all planning and delivery efforts within the organization – from programme planning, human and financial resource mobilization, allocation and management to partnership management, monitoring and evaluation – have mutually reinforcing objectives that enable UNEP better to deliver its services to other United Nations agencies and countries.

73. The UNEP programme performance reviews have highlighted the importance of aligning financial and human resources planning with the results that UNEP aims to achieve in the medium-term strategy and programme of work. In its evaluation of UNEP, the Multilateral Organization Performance Assessment Network (MOPAN) noted the need for good use of performance information and a strong resource allocation process. The next medium-term strategy provides the opportunity for a strong operations strategy in which these different elements interact to strengthen the UNEP approach to results-based management and to enable UNEP to deliver its mandate effectively and efficiently.

74. UNEP is already taking action to ensure that it is up to par with international best practices and standards by 2015. The UNEP programme of work for each biennium (2014–2015 and 2016–2017) will include key performance indicators to ensure that it is in line with international best practice. Targets for UNEP performance indicators will also be centred on bringing greater coherence between key elements of its programme and results-based management framework, in particular through the alignment of programme and budget, including from UNEP engagement with GEF.

75. In addition, UNEP is to become fully compliant with the international standards for public accounting (IPSAS) on 1 January 2014. In accordance with the United Nations Secretariat's schedule, it should simultaneously implement the United Nations Secretariat-wide enterprise resource planning project Umoja. UNEP will also review its systems applications to ensure appropriate linkages between its own Programme Information Management System and the new system as the organization further intensifies results-based management.

76. Other areas for reinforcing UNEP results-based management will be the continued strengthening of its programme and project performance monitoring and reporting process, which will entail emphasis on the validation of performance data, instilling a structured approach to the use of performance information and tracking of management actions at project and programme levels. In addition, UNEP will seek a better alignment of evaluation scheduling with programme planning and budgeting schedules.

77. UNEP emphasis on results will also mean the further integration of gender considerations in programme planning and delivery, entailing integration of a gender perspective into all phases of its programme cycle, from planning to monitoring and evaluation. This process will entail the

development of a gender action plan, which shows how gender considerations are factored into project planning.

78. Furthermore, UNEP will aim for greater coherence between its programmatic needs and the development and consolidation of human capacities. The objective is to optimize the planning, recruitment and development of these resources in order to attract and retain staff of the calibre required. UNEP will therefore institutionalize annual training programmes to build the management skills of staff in a results-based organization, while keeping staffing budgets within strict limits. If, as expected, demand for UNEP services grows, this will provide an opportunity for the organization to strengthen the competencies required to reach out and work through partnerships.

79. A growing number of State and non-State organizations will be working in the same fields as organizations in the United Nations system. The changing global context requires partnerships to be developed both within and outside the system to ensure complementarity, reduce fragmentation and enhance impact. With its revamped policy on partnerships, UNEP will further strengthen its selection of partners and monitoring of its delivery through partnerships, optimizing the respective added value of UNEP and partner United Nations entities, both in substantive areas and in the provision of services to Member States. The strategy for broadening partnerships and alliances will entail bringing coherence through United Nations system-wide partners on environmental issues through the Environmental Management Group, the United Nations Development Group and United Nations country teams.

80. In line with General Assembly resolution 66/288, UNEP will also refocus some of its support to South-South cooperation while recognizing its complementarity with traditional schemes of cooperation. The UNEP strategy will also entail partnerships with the development banks and the private sector, as well as with other major groups, which will allow for a more effective focus on issues relating to particular groups, in line with the General Assembly resolution, which calls for the increased participation of civil society.

81. UNEP also aims to use its strategic presence with primarily regional and some limited country components to strengthen its coherence and efficiency, by working within established United Nations regional coordination structures, including the regional United Nations Development Group teams and the regional coordination mechanisms, to ensure that environmental considerations are adequately reflected across United Nations policy and development assistance activities. At the country level, UNEP will strengthen its regional offices to work within the United Nations country team structures where applicable, and also its programming processes, and will contribute with environmental expertise in the development of national development plans and strategies and United Nations Development Assistance Frameworks to help ensure integration of the environment in United Nations work at the country level. The aim is to strengthen cooperation with other United Nations organizations within the framework of the “Delivering as one” initiative where countries have so requested, to achieve transformational changes that would not be possible by UNEP on its own.

82. Internally, UNEP divisions and regional offices will work together, based on their respective comparative advantages, towards sustainable results at the regional and country level that meet the needs and priorities of the respective countries. The UNEP thematic divisions will continue to lead the organization’s established normative and advocacy roles at the global level, while the Division for Regional Cooperation and the regional offices will strengthen their programme coordination function to ensure an integrated and relevant delivery of the subprogrammes at the regional and national levels. The Division for Regional Cooperation and the regional offices will provide the critical link between the subprogrammes and the regional and national needs and priorities, and will coordinate and orchestrate the provision of UNEP-wide demand-driven support to United Nations agencies and countries in particular regions in a triangular partnership between divisions, regional offices and partners.

83. This will be achieved through region-based outputs in the draft programme of work for 2014-2015, including efforts to scale up support by UNEP to countries and regions, in particular through capacity-building and technology support to assist countries in implementing their environmental policies, which are largely based on provisions and targets from multilateral environmental agreements. These region-based outputs will be integral parts of the UNEP subprogrammes and will be delivered through the direct leadership of the regional offices under the overall accountability of the Division for Regional Cooperation. The Division maintains general responsibility for supervising and supporting the regional offices. Thematic divisions and partners will provide the needed technical and substantive support to strengthen regional delivery. The regional offices will also contribute to the attainment of all other programme of work outputs with delivery at regional and country levels. Regional offices will be involved in different roles (leading and

supporting) in delivering about 80 per cent of the outputs in the programme of work. The UNEP regional seas conventions and programmes will also be used as a platform for UNEP, where appropriate, to support the delivery of work at regional and subregional scales across the different subprogrammes.

84. In order to ensure the most effective matching of UNEP services with country needs and priorities, and optimum synergies and efficiencies, UNEP will ensure that its programme frameworks show the coherence of UNEP work at regional level. The programme frameworks will also facilitate the further involvement of UNEP in the “Delivering as one” processes at the regional and country levels for those countries indicating interest in this delivery mechanism. The programme frameworks will show how UNEP can provide more coherence, relevance, cost-effectiveness and flexibility in delivery modes.

85. Lastly, accountability will be the cornerstone of results-based management by UNEP. The organization is accountable to the Member States and, through them, the people whom it ultimately serves. This translates internally to the accountability of organizational units and, beyond them, to staff at all levels in the organization. Accountability for the attainment of different elements of the organization’s overall goals is assigned to particular divisions. The accountability for delivery of a division’s work is further assigned to individual staff members through their work plans, which are monitored on a yearly basis.

86. Key principles for UNEP as it moves forward in these areas are:

- (a) Keen understanding of stakeholder needs and providing opportunities for increased participation of civil society;
- (b) Timely and efficient delivery;
- (c) Leadership that fosters a sense of common purpose and direction, maintaining an internal environment in which staff can be fully engaged in the achievement of the organization’s objectives;
- (d) External and internal communication to ensure that staff is motivated and stakeholders, starting with the Member States, are aware and proud of the achievements of UNEP;
- (e) Availability of information and systems to facilitate management decisions, monitor effectiveness and efficiency, and improve the organization’s performance.

B. Funding the strategy

87. UNEP will provide resources for the medium-term strategy through its core funding channels, namely, the Environment Fund and extrabudgetary sources, the United Nations regular budget and financing from GEF, and this funding will be complemented by other sources of funding. UNEP will explore the potential for results-based budgeting within the budget planning exercise of its 2014–2015 programme of work and a resource allocation process based on performance information, in line with key results-based management principles.

88. As the attainment of many of the expected accomplishments will depend on the commitments and endeavours of other actors, UNEP cannot look solely to the resources that flow through its own books to meet its global goals. There are reasons to be optimistic for the bienniums 2014–2015 and 2016–2017, despite a high degree of volatility in the environment in which UNEP will be operating. First, support is widening and deepening for sustainable development and for a new inclusive green economy paradigm in the context of sustainable development and poverty eradication as a platform from which to design country development strategies. As countries request support for UNEP services, UNEP will work towards catalysing donor support for those services that enjoy its comparative advantage and where the results will contribute to the delivery of the medium-term strategy and associated programmes of work. Particular attention will be paid to the manner in which UNEP will deliver such services, employing the most cost-effective means and leveraging the strengths of partners to maximize efficiency.

89. Furthermore, UNEP has strengthened alignment of its work with GEF, thereby enhancing complementarity with the UNEP programme of work. Thus, the entire stream of GEF revenue will directly support the achievement of the medium-term strategy, while respecting the concept of complementarity and additionality. Finally, UNEP will have implemented most of its reforms by 2014, meaning that it will have evolved into an institution with well integrated results-based management, programming and budgeting and will be in a position to present an even clearer value-for-money proposition to donors.

III. Risk management

90. UNEP recognizes that risk management is an integral component of the organization. It also recognizes that, given its focus area, it is potentially exposed not only to physical, financial and political risks but also to significant reputational risks. As part of its drive to enhance accountability and performance management, UNEP will ensure that it has appropriate controls and processes to reduce and manage these types of risk, and to deploy resources to ensure efficiency in its operations and value for money.

91. UNEP is developing an effective corporate risk management framework taking into account the United Nations Secretariat policy adopted in May 2011. Such a framework allows it to identify risks, assess potential impact and proactively manage risks for the organization as a whole. It also enables management and staff in UNEP to conduct timely reviews of significant risks and take the management actions required to address them.

92. UNEP will also continue its engagement with United Nations agencies to implement the United Nations system-wide framework for environmental and social sustainability, as endorsed by the United Nations Chief Executives Board for Coordination in September 2011. In particular, UNEP will institutionalize environmental and social safeguards which will mitigate risks from the implementation of its projects and programmes.

93. Lastly, UNEP will continue to strengthen a process for identifying, evaluating and managing organization-wide risks, which include:

- (a) Financial risks, such as the predictability of contributions, fluctuations in exchange rates, expenditure controls, and others;
- (b) Rate of receipt of overall income versus projected expenditure within the programme;
- (c) Rate of overall expenditure versus the rate of progress in delivering the programme of work;
- (d) Compliance with United Nations and UNEP policies, such as the UNEP policy on partnerships, including with the private sector;
- (e) Cost-recovery policy and procedures;
- (f) Political instability in some of the countries in which UNEP may be providing support.

94. At the project level, UNEP is implementing a project-at-risk system as an integral element of the Programme Information Management System. The system draws upon selected data on four dimensions of project performance:

- (a) Expenditure rates;
- (b) Funding status;
- (c) Milestone achievement in projects;
- (d) Project cycle timeliness (from start-up to closure).

95. Projects that exceed pre-established thresholds, within any of these four dimensions of project performance, will be flagged as projects at risk. The system will generate a register and an automated report of all projects at risk (based on one or more of the dimensions) every six months. Projects at risk will also be searchable by region, country, division, regional office and subprogramme, thereby giving managers at all levels in UNEP access to the necessary information for decision-making relating to project portfolios. The overall aim is to ensure that management at all levels in UNEP is able regularly to review data from the internal control framework of UNEP.

96. Risk indicators will be linked to other UNEP organizational performance indicators as appropriate and will follow best practice. Senior UNEP managers will also review the internal controls to ensure the adequate design of controls to capture and evaluate failings and weaknesses, if any exist, and to take prompt action, as appropriate.

IV. Evaluation of the medium-term strategy

97. The medium-term strategy constitutes the highest-level programmatic results framework for UNEP and provides the vision and direction for all UNEP activities for the period, against which UNEP will carry out its evaluation. A prominent feature of the medium-term strategy is its results-based approach. This approach is mirrored by the UNEP approach to evaluation, which has a

strong focus on the assessment of the organization's performance in delivering the medium-term strategy objectives and the expected accomplishments, by proposing a combination of evaluations at different levels, which are mutually complementary. Project evaluations aim to assess project performance and determine the outcomes stemming from projects. They identify lessons of operational relevance for future project design and implementation. Project evaluations also feed into the evaluation of expected accomplishments, by focusing on the role and performance of UNEP in achieving the set of outcomes that are specified in a programme framework and presented in the programme of work. Evaluations of expected accomplishments will be undertaken as part of the evaluation of the performance of the UNEP subprogrammes. Each subprogramme evaluation examines the achievement of results, relevance, effectiveness, efficiency and sustainability of the delivery of the subprogramme.

98. In addition, UNEP will conduct a formative evaluation of the design of the programme of work at the start of each biennium. Formative evaluations are those that assess the causal relationships embedded in the projects within each programme framework, to understand whether these projects are optimally linked to the expected accomplishments. Formative evaluations also help with the identification of performance measures and key impact drivers, for use by project and programme managers in project implementation.

99. UNEP will review the quality of its project supervision function on a biennial basis, providing useful feedback to UNEP managers to ensure consistent high quality in project supervision throughout the organization.

100. Lastly, UNEP will conduct an overall evaluation of the 2014–2017 medium-term strategy at both the mid-points and end-points of the medium-term strategy period, that is, in mid-2015 and at the end of 2017, so as to ensure that at least the medium-term evaluation findings are fed into the planning of the next medium-term strategy for 2018–2022 and the programme of work for 2018–2020. Evaluations of the medium-term strategy will assess the progress made towards achievement of the higher-level results specified in the strategy. The aim is to provide evaluative evidence on the effectiveness and efficiency of UNEP implementation and delivery, to identify challenges to the implementation of the medium-term strategy and to provide lessons and recommendations to guide the future strategic direction of the organization and improve programme formulation and implementation.
