

Agenda Item 6: Development of UN Environment Programme's Programme of Work and Budget 2020-21

1. Introduction

The second session of the United Nations Environment Assembly of UN Environment Programme in May 2016 approved the following strategic planning documents:

- **Medium-Term Strategy for 2018-2021** – to describe the key challenges and issues in the global environment, how UN Environment coordinates actions and resources to build on its strengths, respond to lessons learned, and through a business model, use pivot points to multiply the effectiveness of effort. Using outcome maps, the medium-term strategy outlines the logical chain of results to move from the situation at the time of development to outcomes and impacts in 2030, in line with the Sustainable Development Goals and Agenda 2030.
- **Programme of Work & Budget for 2018–2019** – to build on the Medium-Term Strategy, setting out sub-programmes with associated operational strategies, key outputs, budgets and targets for the first two years of implementation.

In parallel, UN Environment Programme also developed a **Strategic Framework for 2018-2019**, for approval by the Advisory Committee on Administrative and Budgetary Questions and Committee for Programme and Coordination, the 5th Committee of the General Assembly and, ultimately, the General Assembly.

A set of seven **Project Portfolios**, one for each UN Environment sub programme, for the period **2018-2021** were also developed and approved in 2017. The portfolios outline how the outcomes and results presented in the Medium-Term Strategy and the Programme of Work will be delivered, in support of the delivery of the Agenda 2030.

In line with the strategic planning cycle initiated with the approval of the current Medium-Term Strategy in 2016, the second session of the United Nations Environment Assembly of UN Environment Programme also requested, in Resolution 20, paragraph 21, that UN Environment Programme develops a **Programme of Work for 2020-21**, based on the approved Medium-Term Strategy 2018-2021¹ and building on the Programme of Work 2018-2019 and in line with the approved Project Portfolios 2018-2021.

This document presents a roadmap for the development of relevant strategic planning documents, considering the decisions adopted by UNEA and the implications of the UN Secretary General's management reform on UN Environment Programme's planning cycles.

2. UN Secretariat Reform

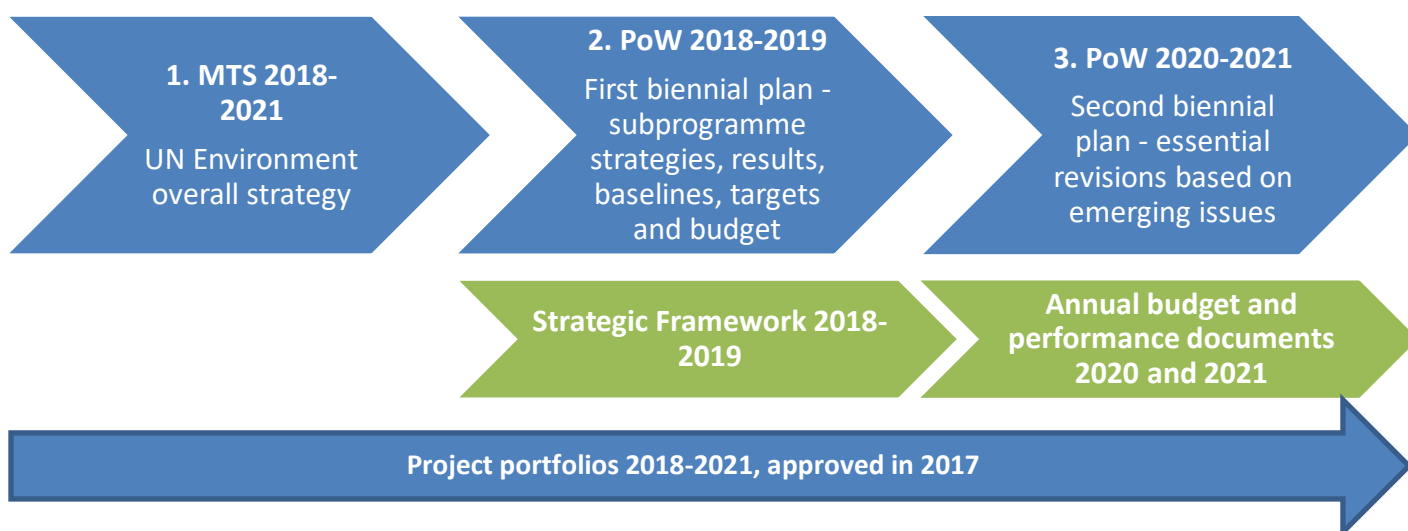
¹ Resolution EA.2, Paragraph 21, "Requests the Executive Director to submit for consideration and approval by the United Nations Environment Assembly at its fourth session, in consultation with the Committee of Permanent Representatives, a prioritized, results-oriented and streamlined programme of work for the period 2020–2021"

As part of the UN Secretary General’s reform, On December 24th 2017, the General Assembly adopted resolution [72/266](#) “Shifting the management paradigm in the United Nations”, based on the Secretary General’s report and its review by relevant bodies, including the Advisory Committee on Administrative and Budgetary Questions² report number [72/7](#) and the 5th Committee³ report number [72/682](#). As a result, UN Environment is no longer required to prepare a Strategic Framework document for the period 2020-21. This is now replaced by an **Annual Budget and Performance Document** to be submitted to the Office of Program Planning, Budget and Accounts by 15 January 2019. The document includes the following, for each sub programme:

- a budget for the year 2020
- a performance report for the year 2018
- a 2019 baseline

UN Environment Programme started to develop the Annual Budget and Performance Document in July during a workshop organized by the Reform Team from the Office of Programme Planning Budget and Administration. The document will be submitted to the CPR for review prior to submission to the Office of Programme Planning Budget and Administration.

Figure 1 Medium Term Strategy, Programmes of Work and Project Portfolios 2018-2021



3. Strategic considerations

Set out below are critical topics that need to be addressed during the development of the Programme of Work 2020-2021 and Annual Budget and Performance document.

3.1 Analysis of operational environment

Since the approval of the current Medium-Term Strategy and the first of the two related Programmes of Work, a new Executive Director has been appointed. The development of this Programme of Work therefore presents an opportunity to integrate emerging priorities into UN Environment’s Programme of Work and in alignment with the 2030 Agenda. The Programme of Work 2020-2021 will therefore fall within

2 The Advisory Committee on Administrative and Budgetary Questions is an expert Committee of sixteen Members elected by the General Assembly on the basis of a broad geographical representation. Members serve in a personal capacity and not as representatives of Member States. Its function, as contained in its name, is advisory in nature.

3 The Fifth Committee is the Committee of the General Assembly with responsibilities for administrative and budgetary matters. Based on the reports of the Fifth Committee, the General Assembly considers and approves the budget of the Organization.

the framework of existing planning documents and will not introduce significant changes. However, the Secretariat suggests that development of this Programme of Work is used as an opportunity to:

- a. Establish a stronger alignment to the 2030 Agenda, and to the SDG indicators; and
- b. Highlight linkages with UN Environment Assembly resolutions that have been adopted since the Medium-Term Strategy 2018-21 was approved.

3.2 Continuous improvement of the Programme of Work development process

Lessons are being identified from planning processes, monitoring, evaluation and audits. The lessons identified will be distilled to determine their influence on the shape of the Programme of Work, including alignment of the Programme of Work to Agenda 2030.

3.3 Consultations with Committee of Permanent Representatives

Consultations have been ongoing with the Committee of Permanent Representatives to provide feedback to Member States on the findings of UN Environment Programme work in the first biennium of the Medium-Term Strategy and consult on the development of new strategic planning documents for the period 2020-2021. The aim is to seek feedback from the Committee of Permanent Representatives on these issues and guidance in further prioritization of UN Environment Programme's work.

3.4 Coordination with Regional and Country offices

Bi-lateral consultations will be held during the first week of September 2018 with Regional and National offices to obtain feedback on the development of the 2020-21 Programme of Work.

3.5 Consultations with Multilateral Environmental Agreements

Consultation with the Multilateral Environmental Agreements are scheduled to be undertaken at the end of August 2018 to solicit views on how UN Environment Programme's global priorities can align with the mandates of Multilateral Environmental Agreements, how delivery timings of projects can align with the policy processes and to ensure that any recent change and emerging issue is considered during the development of the second Programme of Work.

3.6 Budgeting and expenditure

Corporate Services Division embarked on a process to identify performance against budget for the period 2018-2019 and lessons learned to provide a basis for the 2020 Annual Budget and Performance document and the Programme of Work 2020-2021 and biennial budget, as well as clearer alignment to results. Three options were presented at the Subcommittee meeting of the Committee of Permanent Representatives on 14 June 2018 and to the UN Environment Programme Senior Management team on 28 August 2018. Annex 1 presents these Budget Options.

4. Key dates

Set out below are the key dates for the development of the Programme of Work 2020-2021 and the Annual Budget and Performance Document.

22 August 2018:	Submission from Sub-Programme Coordinators on relevant sections of the Programme of Work 2020-21.
End of August 2018	Submission from substantive Divisions on other sections of the Programme of Work 2020-21.
End of August 2018	Consultation with Multilateral Environmental Agreements.
28 August 2018	Presentation of Budget Options to UN Environment Programme Senior Management Team.

3-7 September 2018	Bilateral meetings with Division and Regional Directors on strategic priorities
6-7 September 2018	Joint Preparatory Retreat of the Bureaux of the UN Environment Assembly and of the Committee of Permanent Representatives.
10 September 2018	Strategic Advisory Group Meeting on status of development of Programme of Work 2020-21.
14 September 2018	Submission of revised draft to the Committee of Permanent Representatives
25 September 2018	Presentation of revised Annual Budget to the Committee of Permanent Representatives Subcommittee meeting.
October 22-26 2018:	Permanent Representatives reviews and approves the Programme of Work 2020-21 and the Annual Budget and Performance Document at Annual Subcommittee Meeting.
15 January 2019:	UN Environment Programme submits the Annual Budget and Performance Document to the Office of Program Planning, Budget and Accounts.
15 February 2019:	UN Environment Programme submits the financial information related to the Annual Budget and Performance Document to the Office of Program Planning, Budget and Accounts.
March 2019:	UN Environment Assembly reviews and approves the Programme of Work 2020-2021 and budget.
May-November 2019:	The Annual Budget and Performance Document is reviewed at the same time by the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme Coordination. The report issued by the two Committees on the Annual Budget and Performance Document is then submitted to the 5th Committee of the General Assembly for review.
December 2019:	The General Assembly reviews and approves the Annual Budget and Performance Document, implementation begins in January 2020.

Agenda Item 6: Programme of Work 2020-2021 Budget Envelope Options

A. Summary:

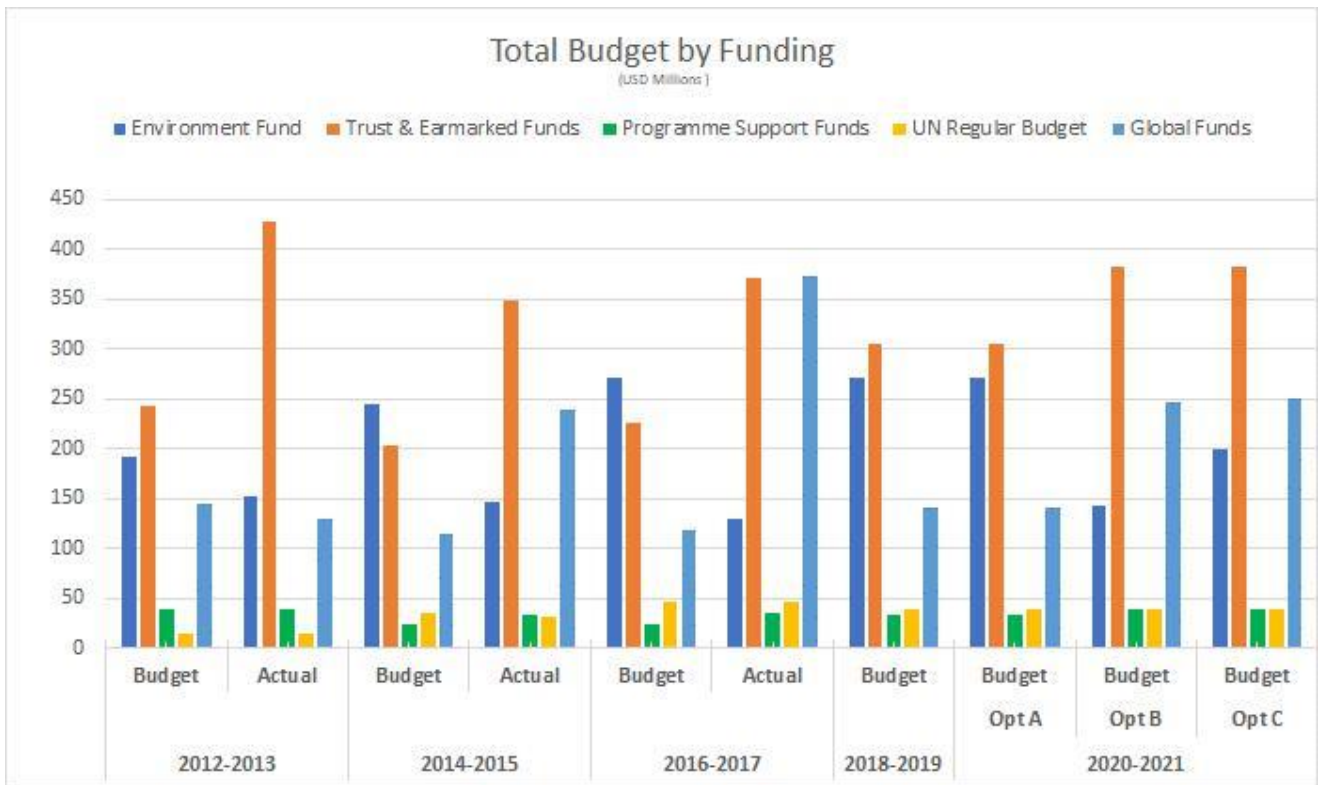
1. UN Environment Programme's 2020-2021 budget is formulated to meet the increased focus on environmental issues in the UN system and the 2030 Agenda for Sustainable Development which represents major opportunities for the UN Environment Programme. We are embarking on the development of the next two-year Programme of Work for 2020-2021, which is the second half of the of the four-year Medium-Term Strategy for 2018-2021 approved by the Second UN Environment Assembly in May 2016. Member States have advised against changes to the Programme of Work, that would in turn necessitate a revision to the Medium-Term Strategy we are just starting this year. However, Member States requested the need for a more realistic budget, supported by a strong method.

2. Like previous budget preparation exercises the Executive Director submits to the Committee of Permanent Representatives three options as set out in figure 1 below. The budget is broken down in the following funding categories: Environment Fund, UN Regular Budget, Trust and Earmarked Funds, Programme Support Fund and Global Funds, which includes the Global Environment Facility. The options and rationale are as follows:
 - **Option A** - zero-growth budget with an overall budget envelope of **\$789 million**.
 - **Option B** - moderate growth option with an overall budget envelope of **\$850 million**. This reflects an average of actuals expenditure over the last three biennia for all funding sources except for the Regular Budget which reflects the current approved level and the Programme Support which reflects 10% of the Trust and Earmarked Funds budget.
 - **Option C** - real growth option with an overall budget envelope of **\$910 million**. This reflects an average of actual expenditure over the last three biennia for the Trust and Earmarked Funds and Global Funds. The Regular Budget will continue to reflect the current level approved by the General Assembly and the Programme Support Funds which reflect 10% of the Trust and Earmarked Funds budget. The Environment Fund level reflects the projected income for 2018, currently at \$75 million while also taking into consideration the outcome of implementing UN Environment Programme's fund raising strategy.

Table 1: Total Budget by Funding Type (Figures in Millions)

Funding Type	2012-2013		2014-2015		2016-2017		2018-2019	2020-2021		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Opt A Budget	Opt B Budget	Opt C Budget
Environment Fund	191	152	245	146	271	129	271	271	142	200
Trust & Earmarked Funds	242	428	202	348	225	372	305	305	383	382
Programme Support Funds	39	38	23	32	23	36	33	33	38	38
UN Regular Budget	14	14	35	31	46	45	40	40	40	40
Global Funds	144	130	114	239	118	372	140	140	247	250
Total:	630	762	619	796	684	954	789	789	850	910

Figure 1: Total Budget by Funding Type (Figures in Millions)



B. Recommendation

- UN Environment Programme has defined an ambitious new Resource Mobilization Strategy. With this in mind, the UN Environment Programme Secretariat is recommending option **C** with a total funding requirement of **\$910 million** for the biennium 2020-2021. This option considers the 2030 Agenda for which environmental sustainability underpins virtually all of the goals.
- UN Environment Programme is also presenting a zero and moderate growth budget options for consideration; however, this level of budget would not sustain the level of ambition set out in the 2030 Sustainable Development Goals and the Medium-Term Strategy 2018-21. Upon receiving guidance from the Committee of Permanent Representative on the overall budget targeted for 2020-2021, UN Environment Programme will progress to formulate a detailed budget.