

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

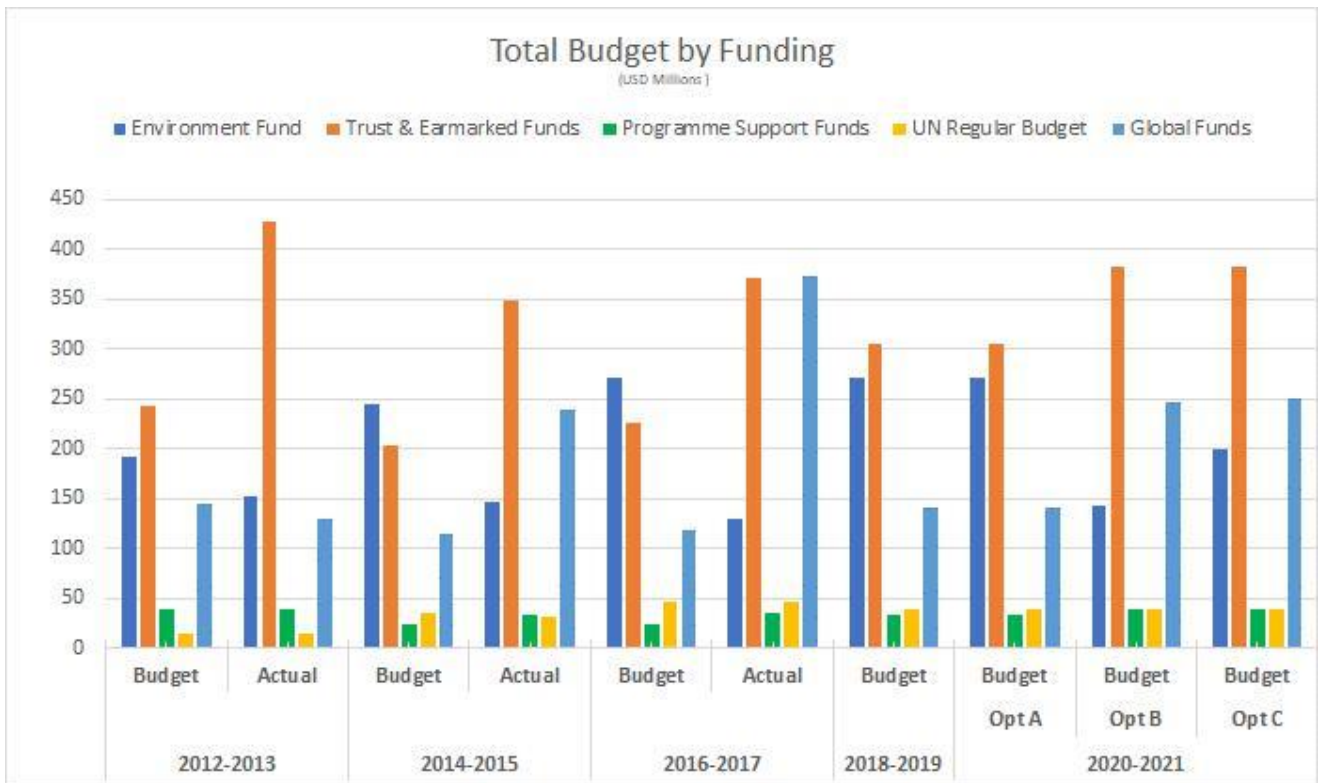
A. Summary:

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

3. 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.
4. 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.