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Programme**

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**Seventh meeting**

Nairobi, 12-16 October 2020

Online meeting

1.00 pm – 6.00 pm (GMT+3)

**Agenda Item 4: Consideration of a draft UNEP Medium-Term Strategy 2022-2025  
and Programme of Work 2022-2023**

This note serves as one of the four documents for consideration under agenda item 4, “Consideration of a draft UNEP Medium-Term Strategy 2022-2025 and Programme of Work 2022-2023.”

Attached to this note, delegations will find a second draft of UNEP’s Programme of Work and Budget 2022-2023, which builds on the first draft presented by the Secretariat at the 151<sup>st</sup> meeting of the CPR, complemented by indicators of achievement and budgetary elements.

Once finalized, the Programme of Work and Budget will be annexed to the Medium-Term Strategy 2022-2025, providing a narrative for the organization’s performance framework for the 2022-2023 biennium, mapped against the internationally agreed Sustainable Development Goals.

## Medium-term Strategy 2022-2025

### **Annex I: Programme of work and Budget for 2022-2023**

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**This programme of work and budget complements and supports UNEP’s medium-term strategy 2022-2025 by setting out the organization’s performance framework for the biennium 2022-2023.**

**The first section of this document articulates UNEP’s results framework through a set of interventions and results that follow the focus and aspiration encompassed in the medium-term strategy.** The three theories of change mirror UNEP’s three key strategic objectives of Climate Stability, Living in Harmony with Nature and a Pollution Free planet. The results framework sets out UNEP’s core areas of work through three principal areas of action (Climate Action, Nature Action and Chemicals and Pollution Action), underpinned by two foundational subprogrammes (Science-Policy and Environmental Governance) and facilitated by two enabling subprogrammes (Finance and Economic Transformations and Digital Transformation). These thematic, foundational and enabling subprogrammes come together in an interdependent way and vis-à-vis the global goals encompassed in the 2030 Agenda and other internationally agreed frameworks. With the support of a results narrative, this programme of work showcases how UNEP’s thematic subprogrammes (with contributions from the enabling and foundational subprogrammes) will drive the transformational shifts outlined in the strategy by means of measuring UNEP’s direct, enabling and influencing role in line with a time-bound trajectory that aligns the organization with the 2030 Agenda.

**Section two of this document underlines how UNEP’s executive leadership, coherent policy setting and efficient programme management and support will drive the organization forward -- from the inside -- towards greater focus and effectiveness of results on the outside.** Building on lessons learned from UNEP’s transformation process launched in 2019, these elements will be the guiding light of UNEP’s endeavour to deliver more impactful results.

**Finally, section three presents UNEP’s biennial budget for the 2022-2023 period.** An overview of all UNEP’s resources for the biennium is followed by more detailed data regarding the allocations per subprogramme and funding source, as well as a snapshot of UNEP’s supporting efforts towards increased resource mobilization and optimal human resources practices.

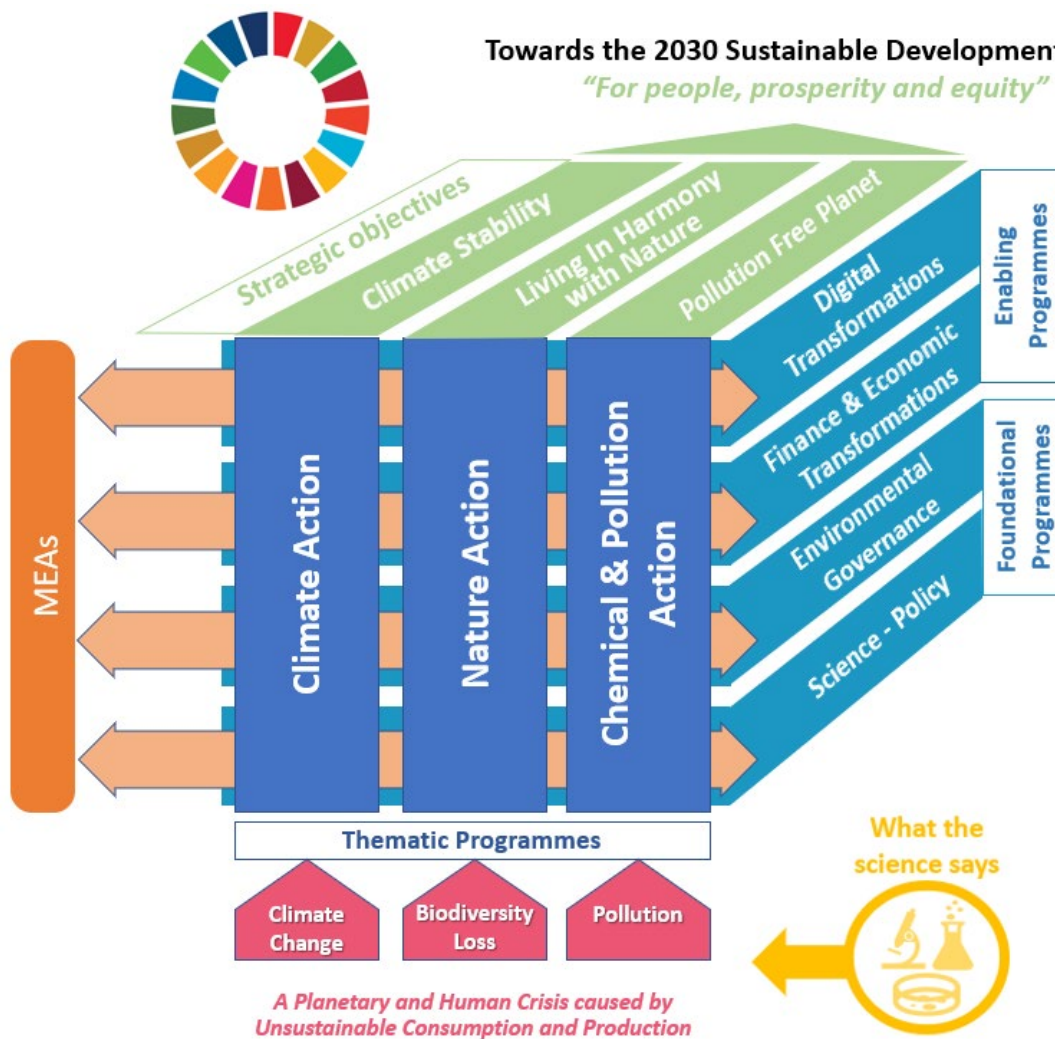
# 1. UNEP’s performance framework for 2022-2023: A set of integrated results responding to three theories of change...

## 1.1 An integrated results framework based on three theories of change

**Results that speak to UNEP’s three strategic objectives.** This programme of work 2022-2023 articulates UNEP’s results framework around the three strategic objectives set out in the medium-term strategy 2022-2025 (Figure 1):

1. Climate stability,
2. Living in harmony with nature, and
3. Achieving a pollution-free planet.

Figure 1: UNEP’s Medium-term Strategy for 2022-2025 – on the road to 2030



**Three theories of change map out how the Climate Action, Nature Action and Chemical and Pollution Action thematic subprogrammes will progress towards these strategic objectives (Figures 2, 3 and 4).** Each theory of change follows an integrated approach with a causal pathway which:

- **connects the 2025 outcomes of each thematic subprogramme with UNEP’s 2050 vision statement**, as outlined in the medium-term strategy, setting out UNEP’s trajectory through intermediate outcomes for the period 2026-2029, which will lead UNEP towards the 2030 outcomes of each thematic subprogramme;
- **encompasses a set of direct outcomes that show how the interventions of all UNEP subprogrammes (thematic, foundational and enabling) come together in an integrated manner.** Each thematic subprogramme builds on a set of direct outcomes that are informed by the foundational interventions under the science-policy and environmental governance subprogrammes, and the enabling interventions under the financial and economic transformations and digital transformations subprogrammes; and
- **outlines the assumptions, drivers and external risks that UNEP will take into account** to achieve its strategic aspirations.

Figure 2: Theory of change - Climate Stability



**2050 Vision:** Net zero carbon emissions and resilience towards climate change are achieved, humanity prospers in harmony with nature and pollution is prevented and controlled, while ensuring good environmental quality and improved health and well-being for all.

**2030 Outcome:** Government and non-government development action are compatible with the Paris Agreement long-term objectives of “holding the increase in global average temperatures to well below 2oC above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5oC” and “increasing the ability to adapt to the adverse impacts of climate change”

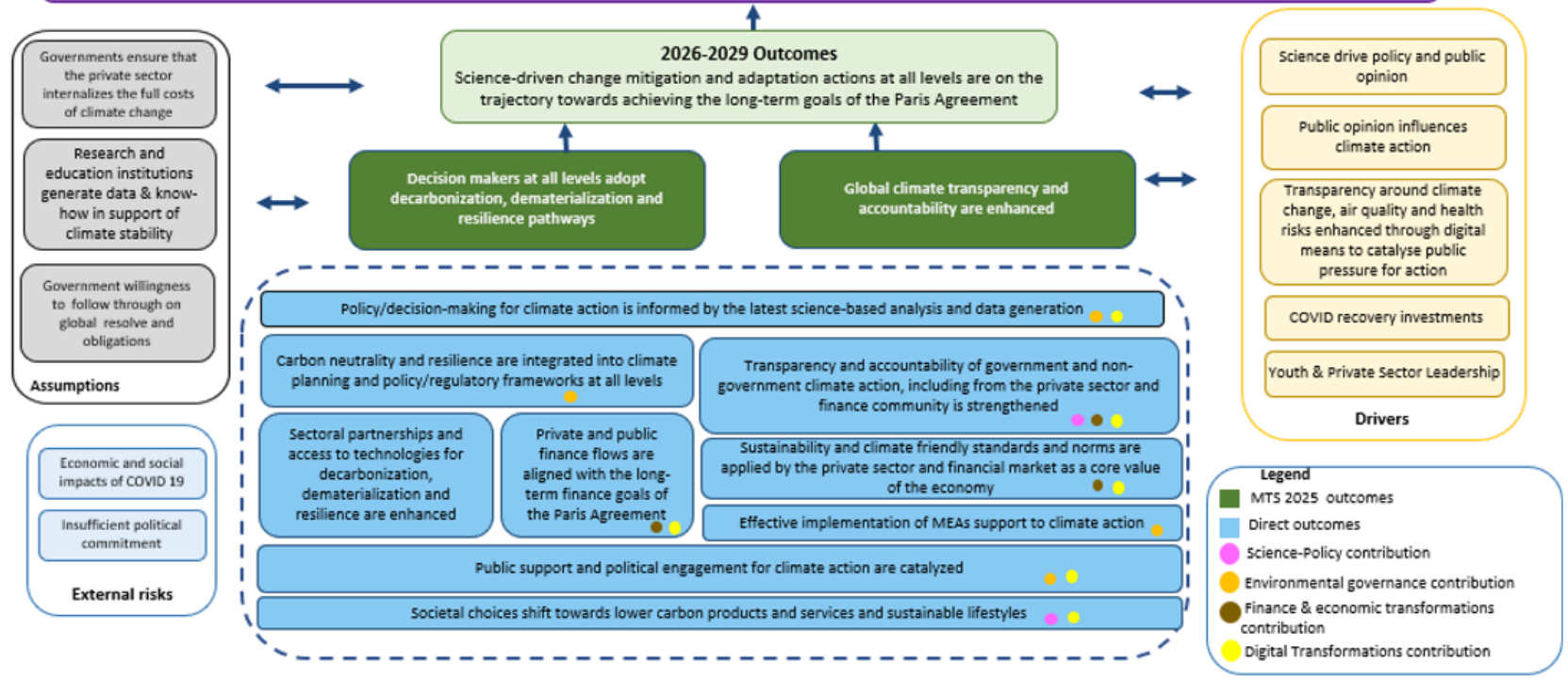


Figure 3: Theory of change - Living in Harmony with Nature

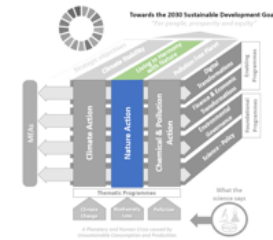
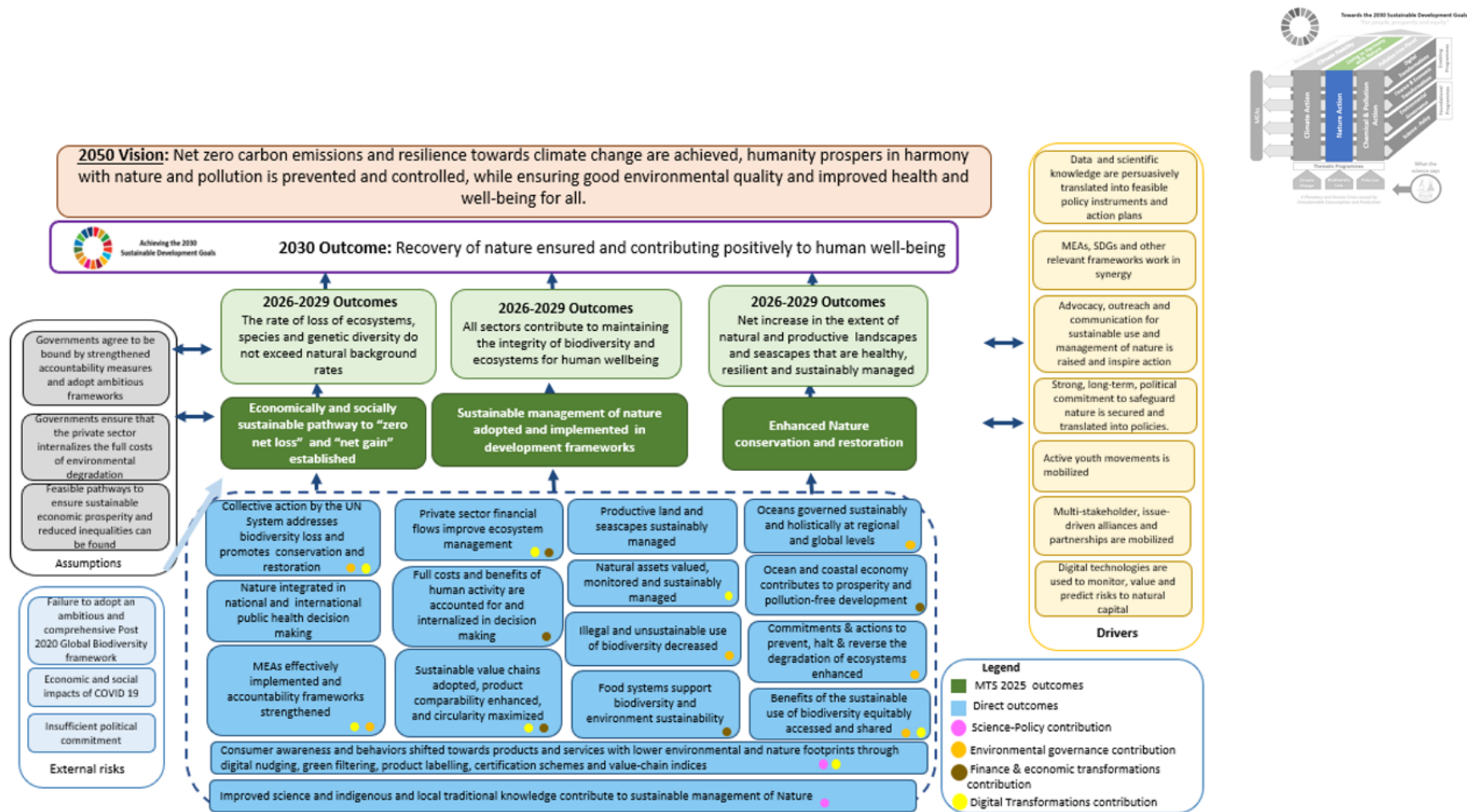
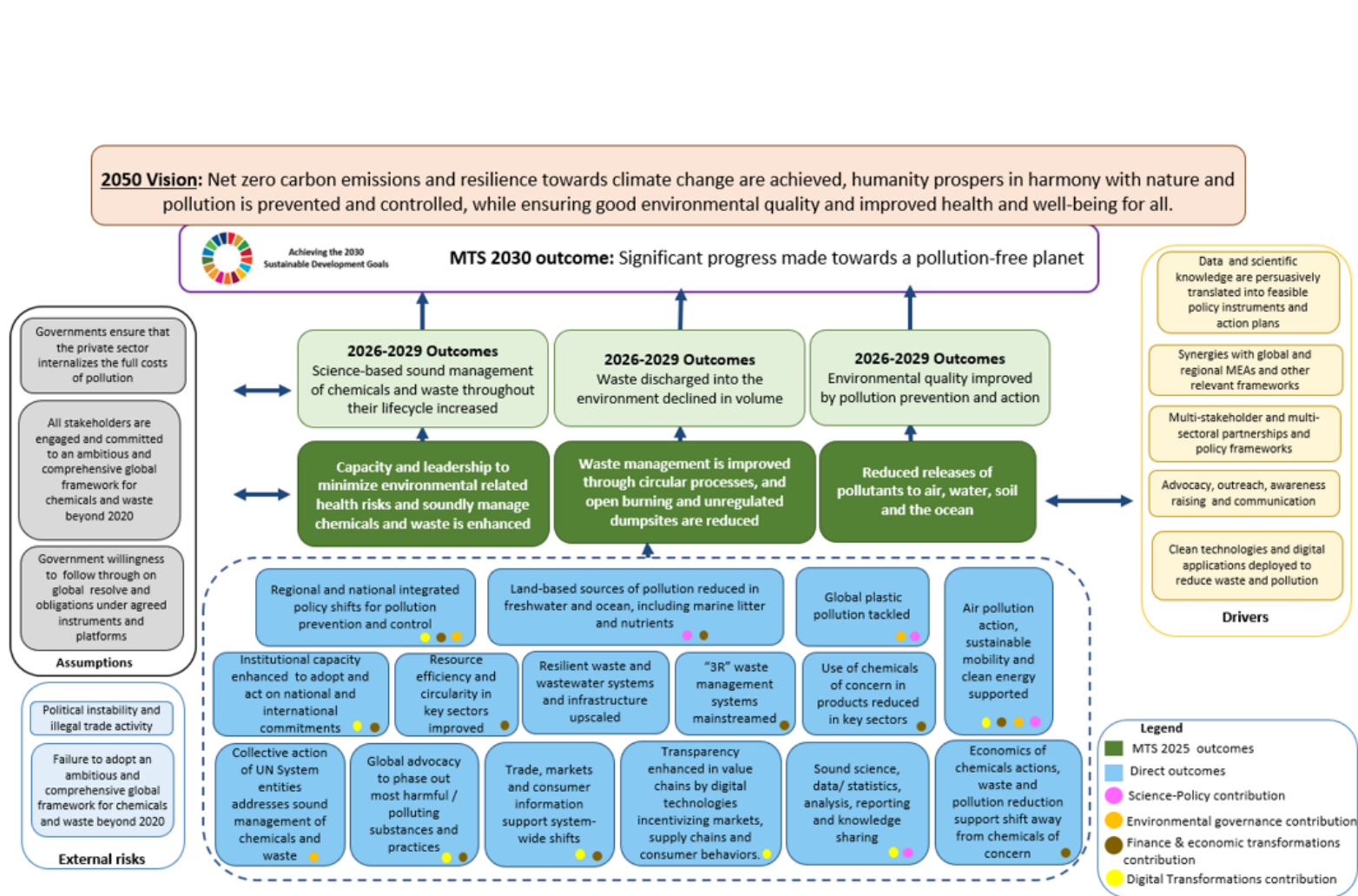




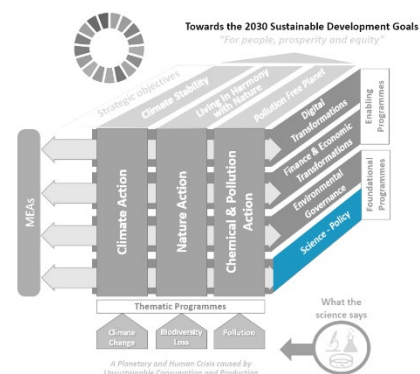
Figure 4: Theory of change - A Pollution-Free Planet



The sections below further highlight the integration amongst UNEP's thematic, foundational and enabling subprogrammes, indicating which direct outcomes of UNEP's thematic subprogrammes are attributable to UNEP's foundational interventions under the science-policy and environmental governance subprogrammes, and enabling interventions under the financial and economic transformations and digital transformations subprogrammes

### 1.1.1 Science-policy as a foundation

Science-policy will empower governments and other stakeholders to make evidence-based decisions through environmental assessments, identifying emerging issues and fostering policy action towards the achievement of the outcomes in the Climate Action, Nature Action and Chemicals and Pollution Action subprogrammes. UNEP will continue to strengthen the science-policy interface through, among other things, servicing other subprogrammes in policy-relevant assessments and analyses informed by regional priorities; strong partnerships with expert networks and scientific bodies. UNEP will provide the enabling conditions for countries to institutionalize sustainable development goal monitoring, data calibration and monitoring and reporting. As the custodian agency for 26 indicators of the sustainable development goals, UNEP will be actively involved in the development and refinement of data collection methodologies, particularly for those indicators that remain without internationally established methodologies and standards. UNEP will also use innovative and targeted ways of publishing to ensure that information and data reach the intended target audiences.



**Table 1: Direct outcomes of science-policy**

*Science-Policy* will provide the foundation for the direct outcomes for Climate action, Nature action and Chemical & Pollution action:

#### **Climate action**

- Policy/decision-making informed by science-based analyses, data generation
- Transparency and accountability of government and non-government climate action, including from the private sector and finance community is strengthened

#### **Nature action**

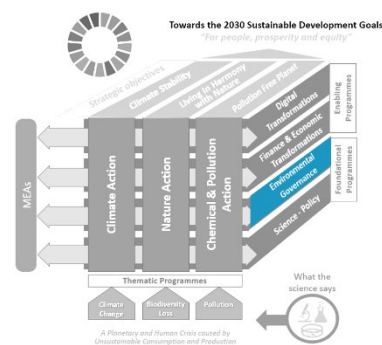
- Improved science and indigenous and local traditional knowledge contribute to sustainable management of Nature
- Consumer awareness and behaviors shifted towards products and services with lower environmental and nature footprints through digital nudging, green filtering, product labelling, certification schemes and value-chain indices.

#### **Chemicals & Pollution action**

- Sound science, data/statistics, analysis, reporting and knowledge sharing promoted to contribute to chemicals, waste and pollution management
- Air pollution action, sustainable mobility and clean energy supported
- Global plastic pollution tackled
- Land-based sources reduced of freshwater and ocean pollution, including marine litter and nutrients

### 1.1.2 Environmental governance as a foundation

**Environmental Governance supports the development and implementation of environmental rule of law and related capacities enhancing results at all levels.** UNEP will support the development and effective implementation of fair, clear and coherent policies, legal frameworks and institutions. Through flagship programmes like the Montevideo Environmental Law Programme and initiatives to support and partner with multilateral environmental agreements, UNEP will support mechanisms to achieve implementation of multilateral environmental agreements, the sustainable development goals and other internationally agreed environmental goals and commitments into national policies, legal frameworks and action. UNEP will also support countries to work together to solve environmental issues that cut across national borders with effective environmental law and governance solutions in an integrated manner.



**Table 2: Direct outcomes of environmental governance**

*Environmental Governance* will provide the foundation for the direct outcomes Climate action, Nature action and Chemical & Pollution action:

#### **Climate action**

- Public support and political engagement for climate action are catalyzed
- Carbon neutrality and resilience are integrated into climate planning and policy/regulatory frameworks at all levels
- Policy/decision-making for climate action is informed by the latest science-based analysis and data generation
- Effective implementation of MEAs support to climate action

#### **Nature action**

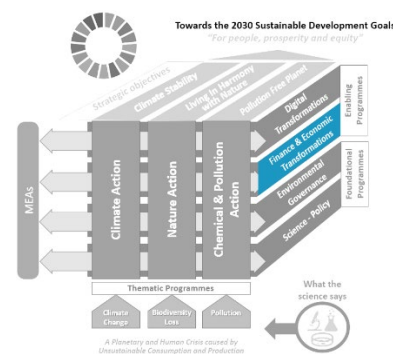
- Collective action of UN System entities addresses biodiversity loss and promotes conservation and restoration
- MEAs effectively implemented and accountability frameworks strengthened
- Illegal and unsustainable use of biodiversity decreased
- Oceans governed sustainably and holistically at regional and global levels
- Commitments & actions to prevent, halt & reverse the degradation of ecosystems enhanced;
- Benefits of the sustainable use of biodiversity equitably accessed and shared

#### **Chemicals & Pollution action**

- Collective action of UN System entities addresses sound management of chemicals and waste
- Regional and national integrated policy shifts for pollution prevention and control
- Air pollution action, sustainable mobility and clean energy supported
- Global plastic pollution tackled

### 1.1.3 Finance and economic transformations as an enabler

**Finance and Economic Transformations leverage business value chains, private finance and consumer behaviours, and enhanced economic policies for Climate Change, Nature and Chemicals and Pollution outcomes.** UNEP will support transformed economic policies, including trade policies, to accelerate the shift to more sustainable patterns of consumption, production, investment, and equity. In addition, UNEP’s work on principles and standards will enable private finance, business and their value chains to improve environmental sustainability. UNEP’s work on information and knowledge sharing will inform more sustainable consumer behaviour.



**Table 3: Direct outcomes of finance and economic transformations**

*Finance and economic transformations* will enable the following direct outcomes for Climate action, Nature action and Chemical & Pollution action:

#### Climate action

- Private and public finance flows are aligned with the long-term finance goals of the Paris Agreement.
- Transparency and accountability of government and non-government climate action, including from the private sector and finance community is strengthened.
- Sustainability and climate friendly standards and norms are applied by the private sector and financial market as a core value of the economy.

#### Nature action

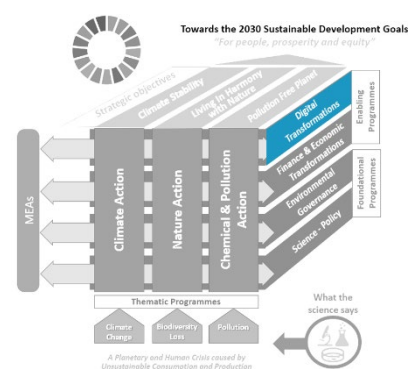
- Full costs and benefits of human activity are accounted for and internalized in decision making.
- Food systems support biodiversity and environment sustainability.
- Ocean and coastal economy contributes to prosperity and pollution-free development.
- Private sector financial flows improve ecosystem management.
- Sustainable value chains adopted, product comparability enhanced, and circularity maximized.

#### Chemicals & Pollution action

- Regional and national integrated policy shifts for pollution prevention and control.
- Land-based sources of water and ocean pollution reduced, including plastic litter and nitrogen.
- Use of chemicals of concern in products reduced in key sectors.
- Air pollution action, sustainable mobility and clean energy supported.
- Institutional capacity enhanced to adopt and act on national and international commitments.
- “3R” waste management systems mainstreamed.
- Resource efficiency and circularity in key sectors improved.
- Economics of chemicals actions, waste and pollution reduction support shift away from chemicals of concern.
- Trade, markets and consumer information support system-wise shifts
- Global advocacy to phase out most harmful / polluting substances and practices.

### 1.1.4 Digital transformations as an enabler

**Digital Transformations will establish digital standards, architecture and governance, supported by enhanced digital literacy to encourage a transformative use of environmental digital public goods to accelerate progress towards environmental sustainability.** UNEP will help establish the global digital standards, architecture and governance framework needed to integrate datasets, analysis and digital public goods on climate, nature and pollution within an inclusive digital ecosystem for people and planet. UNEP will bridge the digital divide by enhancing the environmental digital literacy of citizens and diverse stakeholders through inclusive digital capacity building, policy dialogue, education curriculum, social collaboration, open innovation and new communities of practice. UNEP will leverage environmental digital public goods and related digital technologies through partnerships, platforms and networks to amplify and accelerate progress towards global environmental goals as well as a circular economy.



**Table 4: Direct outcomes of digital transformations**

*Digital transformations* will enable the following direct outcomes for Climate action, Nature action and Chemical & Pollution action:

#### Climate action

- Policy & decision-making for climate action is informed by the latest science-based analysis and data generation
- Transparency and accountability of government and non-government climate action, including from the private sector and finance community is strengthened
- Private and public finance flows are aligned with the long-term finance goals of the Paris Agreement
- Sustainability and climate friendly standards and norms are applied by the private sector and financial market as a core value of the economy
- Societal choices shift towards lower carbon products and services and sustainable lifestyles
- Public support and political engagement for climate action are catalyzed

#### Nature action

- Collective action of UN System entities addresses biodiversity loss and promotes conservation and restoration
- MEAs effectively implemented and accountability frameworks strengthened
- Natural assets valued, monitored and sustainably managed
- Private sector financial flows improve ecosystem management
- Benefits of the sustainable use of biodiversity equitably accessed and shared
- Sustainable value chains adopted, product comparability enhanced, and circularity maximized
- Consumer awareness and behaviors shifted towards products and services with lower environmental and nature footprints through digital nudging, green filtering, product labelling, certification schemes and value-chain indices

#### Chemical & Pollution action

- Sound science, data/ statistics, analysis, reporting and knowledge sharing
- Transparency enhanced in value chains by digital technologies incentivizing markets, supply chains and consumer behaviors
- Trade, markets and consumer information support system-wide shifts
- Air pollution action, sustainable mobility and clean energy supported
- Institutional capacity enhanced to adopt and act on national and international commitments
- Regional and national integrated policy shifts for pollution prevention and control
- Global advocacy to phase out most harmful / polluting substances and practices

## 1.2 UNEP's performance measures: indicators that take programme integration one step further.

**UNEP's indicator framework explains how the performance of the thematic subprogrammes covered by this programme of work will be measured.** Based on the integration shown in the three theories of change under section 1.1, the outcomes of each thematic subprogramme are built on two sets of indicators: 1) indicators that measure UNEP's performance in the subprogramme from the thematic perspective of the subprogramme (thematic indicators), and 2) indicators that measure UNEP's performance in the subprogramme from the contributing perspective of the enabling and foundational subprogrammes (foundational and enabling indicators).

**Table 5 below groups UNEP's indicators per subprogramme, showing which thematic, foundational and enabling indicators will contribute to the outcomes of the climate action, nature action and chemical and pollution action subprogrammes.** In addition to showcasing UNEP's indicators, the table also maps out the relevant Sustainable Development Goals against which UNEP will measure its performance.

**In line with UNEP's pledge to increase responsiveness to issues of gender equality, as outlined in the medium-term strategy, the table also includes a cross-cutting gender indicator.** Applied to all of UNEP's interventions, the indicator will measure UNEP's performance for implementing the United Nations systemwide action plan on gender equality and the empowerment of women (UN-SWAP).

Table 5: UNEP's indicators

<b>Vision 2050:</b> Net zero carbon emissions and resilience towards climate change are achieved, humanity prospers in harmony with nature and pollution is prevented and controlled, while ensuring good environmental quality and improved health and well-being for all.	
<b>Climate Action 2030 objective:</b> Countries increasingly transition to low-emission economic development pathways and enhance their adaptation and resilience to climate change	
<b>Nature Action 2030 objective:</b> Recovery of nature ensured and contributing positively to human well-being	
<b>Chemical and Pollution Action 2030 objective:</b> : Significant progress made towards a pollution-free planet	
<b>SDG indicators to which UNEP contributes<sup>1</sup></b>	<p>2.4.1 Proportion of agricultural area under productive and sustainable agriculture;</p> <p>3.6.1 Death rate due to road traffic injuries;</p> <p>3.9.1 Mortality rate attributed to household and ambient air pollution;</p> <p>3.9.3 Mortality rate attributed to unintentional poisoning;</p> <p>6.3.1 Proportion of domestic and industrial wastewater flows safely treated;</p> <p>6.3.2 Proportion of bodies of water with good ambient water quality;</p> <p>6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources;</p> <p>6.5.1 Degree of integrated water resources management</p> <p>6.5.2 Proportion of transboundary basin area with an operational arrangement for water cooperation;</p> <p>6.6.1 Change in the extent of water-related ecosystems over time;</p> <p>7.2.1 Renewable energy share in the total final energy consumption;</p> <p>7.3.1 Energy intensity measured in terms of primary energy and GDP (SCP 4.1. Energy use reduction/efficiency);</p> <p>8.4.1/12.2.1 Material footprint, material footprint per capita, and material footprint per GDP;</p> <p>9.4.1 CO2 emission per unit of value added;</p> <p>11.6.2 Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (population weighted);</p> <p>12.3.1 (a) Food loss index and (b) food waste index; 12.5.1 National recycling rate, tons of material recycled;</p> <p>12.8.1 Extent to which (i) global citizenship education and (ii) education for sustainable development are mainstreamed in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment;</p> <p>12.c.1 Amount of fossil-fuel subsidies per unit of GDP (production and consumption) and as a proportion of total national expenditure on fossil fuels;</p> <p>14.1.1 (a) Index of coastal eutrophication; and (b) plastic debris density;</p> <p>14.2.1 Number of countries using ecosystem-based approaches to managing marine areas;</p> <p>14.3.1 Average marine acidity (pH) measured at agreed suite of representative sampling stations;</p> <p>15.1.1 Forest area as a proportion of total land area;</p> <p>15.3.1 Proportion of land that is degraded over total land area;</p> <p>15.6.1 Number of countries that have adopted legislative, administrative and policy frameworks to ensure fair and equitable sharing of benefits;</p> <p>17.14.1: Number of countries with mechanisms in place to enhance policy coherence of sustainable development</p>

<sup>1</sup> Recognizing that all 17 SDGs are interconnected, UNEP focuses on contributing to the implementation of a number of SDG targets through its global influence in the generation and dissemination of science, advocacy, campaigns and normative work.

<b>Organisational indicators and targets for implementing United Nations systemwide action plan on gender equality and the empowerment of women (UN-SWAP)<sup>2</sup></b>	Meeting or exceeding 14 out of 17 indicators (82 %) of the UN-SWAP 2.0 by 2022	
<b>2025 Outcomes from the implementation of the medium-term strategy</b>	<b>Indicators measuring performance of the thematic subprogrammes (Climate Action, Nature Action, Chemical and Pollution Action)</b> <i>(baselines &amp; targets tbd)</i>	<b>Indicators measuring performance of the enabling and foundational subprogrammes (Digital Transformations, Finance and Economic Transformations, Science-Policy, Environmental Governance)</b> <sup>3</sup> <i>(baselines &amp; targets tbd)</i>
<b>Climate Action</b>		The indicators in this column reflect the contributions of the four enabling and foundational subprogrammes to Climate Action, Nature Action and Chemical and Pollution Action
<p><b>(a) Decision makers at all levels adopt decarbonization, dematerialization and resilience pathways</b></p> <p><b>(b) Global climate transparency and accountability are enhanced</b></p>	<p>(i) Number of countries and/or legal entities that adopt climate change mitigation and/or adaptation strategies and policies</p> <p>(ii) Amounts provided and mobilized in United States dollars per year in relation to the continued existing collective mobilization goal of the \$100 billion commitment through to 2025</p> <p>(iii) Increase in knowledge and positive shift in public opinion, attitudes, and actions in support of climate action, nature and addressing pollution</p> <p>(iv) Number of countries and legal entities reporting on climate according to approved reporting and accounting standards</p>	<p>Use of data, analytics, lifecycle analysis and digital solutions to influence and incentivize consumer behavior, markets, supply chains and policies towards climate, nature and pollution target <i>(Digital Transformations)</i></p> <p>Use of digital technologies for automatically monitoring global progress against climate, nature and pollution targets to support transparency, predictive analytics and risk identification. <i>(Digital Transformations)</i></p> <p>Use of digital technologies to support electronic governance and enhance public participation in environmental monitoring, consensus building, decision-making and digital transformation linked to climate, nature and pollution actions <i>(Digital Transformations)</i></p>

<sup>2</sup> The results framework will reflect UNEP’s result-oriented approach to gender equality, as encapsulated in the Policy and Strategy for Gender Equality and the Environment (2021-2025). Gender equality mainstreaming results and sex-disaggregated indicators and targets will be elaborated across the thematic programmes and UNEP will through the seven sub-programmes strengthen institutional capacity among its staff and key partners to develop and implement the UN-SWAP.



Nature Action		The indicators in this column reflect the contributions of the four enabling and foundational subprogrammes to Climate Action, Nature Action and Chemical and Pollution Action
<p><b>(i) Economically and socially sustainable pathway to “zero net loss” and “net gain” established frameworks at the national and international levels</b></p> <p><b>(ii) Sustainable management of nature adopted and implemented in development frameworks</b></p> <p><b>(iii) Enhanced Nature conservation and restoration</b></p>	<p>(i) Number of countries or sub-national authorities that adopt or adapt an economic or regulatory tool to value, monitor and sustainably manage biodiversity</p> <p>(ii) Number of private sector entities that integrate biodiversity and ecosystem services into financial decision-making and business sustainability principles, practices, standards and risks or report there upon</p> <p>(iii) Number of knowledge management and consumer (public/private/individual) information tools and measures, education approaches and advocacy and awareness raising events that inform decision-making and choices</p> <p>(iv) Number of countries, bilateral and multilateral UN programmes at global, regional and local level directly or indirectly supported by UNEP integrating or developing common approaches to mainstreaming biodiversity and nature-based solutions into development and sectoral plans, policies and processes.</p> <p>(v) Number of economic, finance, industry and trade policies and actions that integrate scientific data, indigenous and local traditional knowledge across all sectors to halt and reverse the loss of biodiversity and ecosystem integrity and enable a just transition in line with the goals of the post-2020 global biodiversity framework.</p> <p>(vi) Number of countries supported or influenced by UNEP that use ecosystem-based approaches to sustainably manage terrestrial and marine areas, supported by adequate legal, administrative and technical measures in line with their MEA obligations</p>	<p>Number of economic, finance, industry and trade policies, practices, partnerships and initiatives put in place or implemented to enable just transitions. <i>(Economics and Finance Transformations)</i></p> <p>Number of business alliances, principles, practices, standards or frameworks established or adopted, or reporting undertaken to enhance environmental sustainability. <i>(Economics and Finance Transformations)</i></p> <p>Number of knowledge and consumer (public/private/individual) information tools and measures, education approaches, advocacy and awareness raising events and products that inform decision-making, choices and change in behaviour. <i>(Economics and Finance Transformations)</i></p> <p>Number of sound environmental data, statistics, scientific assessments, early warning and foresight developed, made openly available, accessible and promoted. <i>(Science-Policy)</i></p> <p>Number of relevant global, regional and national fora, institutions and governments using data, statistics, scientific assessments, early warning and foresight provided by UNEP for catalyzing policy making and action. <i>(Science-Policy)</i></p> <p>Number of United Nations agencies and multilateral environmental agreements using data/statistics on environmental trends, assessments identified through UNEP. <i>(Science-Policy)</i></p> <p>Number of countries supported in the development and implementation of environmental rule of law, and related capacities, to address internationally agreed environmental goals. <i>(Environmental Governance)</i></p> <p>Number of international legal agreements or instruments advanced or developed to address internationally agreed environmental goals. <i>(Environmental Governance)</i></p>

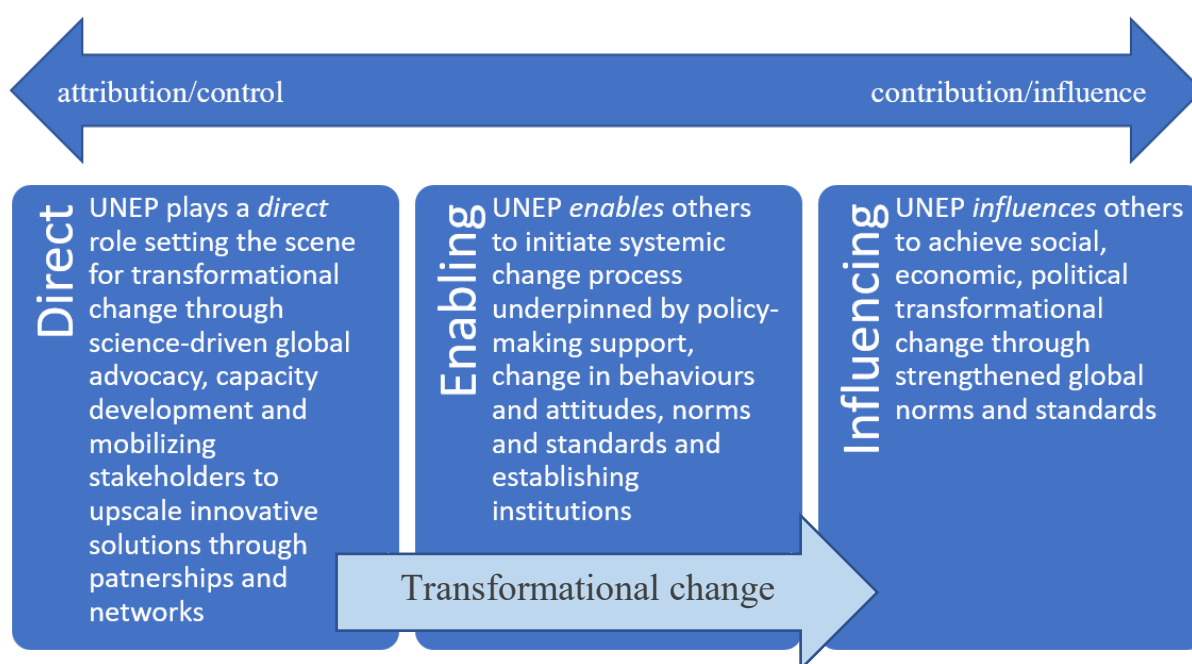
	<p>(vii) Number of multistakeholder commitments in support of ecosystem restoration and change of the ecosystems status facilitated by UNEP</p>	
<p>Chemical and Pollution Action</p>		<p>The indicators in this column reflect the contributions of the four enabling and foundational subprogrammes to Climate Action, Nature Action and Chemical and Pollution Action</p>
<p><b>(i) Capacity and leadership to minimize environmental related health risks and soundly manage chemicals and waste is enhanced</b></p> <p><b>(ii) Waste management is improved through circular processes, and open burning and unregulated dumpsites are reduced</b></p> <p><b>(iii) Reduced releases of pollutants to air, water, soil and the ocean</b></p>	<p>(i) Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals that meet their commitments and obligations in transmitting information as required by each relevant agreement (12.4.1)</p> <p>(ii) National recycling rate, tons of material recycled (SDG 12.5.1)</p> <p>(iii) Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (SDG 11.6.2)</p> <p>(iv) Proportion of bodies of water with good ambient water quality (SDG 6.3.2)</p> <p>(v) Index of coastal eutrophication and floating plastic debris density (SDG indicator 14.1.1)</p>	<p>Number of international legal agreements or instruments advanced or developed to address internationally agreed environmental goals. <i>(Environmental Governance)</i></p> <p>Number of entities at the regional, national or global levels that integrate environmental goals into sustainable development plans, strategies, policies, action plans or budgeting processes as a result of UNEP support. <i>(Environmental Governance)</i></p> <p>Number of entities at the national, regional or global levels that UNEP has supported in developing integrated approaches and tools for enhanced coordination, cooperation and synergies for the coherent implementation of multilateral environmental agreements. <i>(Environmental Governance)</i></p>

### 1.3 UNEP's performance measures: results narratives showing UNEP's direct, enabling and influencing interventions towards achieving the objectives of its medium-term strategy.

**A results narrative that showcases UNEP's performance at different levels...** All three levels described in the diagram below play an important role implementing UNEP's medium-term strategy. The highest level of control rests at the direct outcome level where results that can be directly associated with the intervention. That is where UNEP can exercise the most direct control over the results produced. When moving up the chain, results are achieved by UNEP in partnership with other organizations, governments and private sector. Contribution becomes less clear, as a number of external factors start playing a role. Those external factors will be taken into consideration as UNEP's role becomes more enabling and influencing to achieve the expected outcomes. Three supporting narrative sections – one for each thematic subprogramme – will provide relevant examples that capture how UNEP will measure its intervention towards its strategic objectives at the following three levels (Figure 5):

1. Where UNEP has a direct intervention;
2. Where UNEP has an enabling intervention; and
3. Where UNEP has an influencing intervention.

**Figure 5: Three levels of intervention**



**... paving the way for transformational change.** These three levels will follow the timeline of UNEP's three theories of change and will define the pathway towards the transformational changes that UNEP will contribute to. The resulting pathway will identify which changes UNEP is directly and indirectly accountable for (towards the 2025 outcomes of the thematic subprogrammes), as well as where UNEP will act as an enabler and influencer (towards the 2030 impact of the thematic subprogrammes), measured against relevant SDG indicators.

## 2 ... enhanced by UNEP's executive leadership, coherent policy-setting and efficient programme management and support...

### 2.1 Executive direction and management

**UNEP's executive direction and management provides UNEP's leadership, management and oversight in delivering results.** The Executive Office, with support from the Evaluation Office, provides executive direction and management, including on strategic, programmatic and administrative matters. This includes the accountability for the delivery of the medium-term strategy and its related programmes of work, as mandated by the UN Environment Assembly, and as set out in the compact between the Executive Director and the Secretary-General.

**The Executive Office will focus on elevating systemic changes which have been identified through an internal transformation process aimed at further strengthening UNEP's efficiency and effectiveness.** The Executive Office will: 1) build collaboration and partnerships with governments, the Private Sector, Finance Institutions, Civil Society and other stakeholders; 2) invest in integrated capability development; 3) create a coherent strategic leadership; 4) deliver operational excellence; and 5) create a team with aligned entrepreneurship. Attaining these five dynamics will enable UNEP to meet the challenges ahead.

**The independent Evaluation Office plays a critical role in the oversight and accountability functions.** The Evaluation Office falls within the purview of executive direction and management in recognition of its functional independence from the rest of the programme and the importance attached to using evaluation findings to improve UNEP's planning, implementation and performance. As an independent unit, the Evaluation Office reports directly to the Executive Director, and is responsible for implementing the evaluation workplan by conducting and managing independent evaluations. Thus, it will continue to play a critical oversight role by evaluating the extent to which UNEP has achieved its planned results in the medium-term strategy and programme of work and will provide recommendations, lessons and advice based on evaluation findings. Maintaining transparency, the evaluation findings will be communicated through the Executive Director to the Committee of Permanent Representatives and the UN Environment Assembly in accordance with the UNEP Evaluation Policy.

### 2.2 Policymaking organs

**The UN Environment Assembly sets the global environmental agenda and is the governing body of UNEP.** The Assembly meets biennially and has a United Nations system-wide mandate to take strategic decisions, provide political guidance on the work of the United Nations system in the area of the environment and promote a strong science-policy interface. The medium-term strategy and programme of work are approved by the UN Environment Assembly.

**The UN Environment Assembly is mandated to ensure the active participation of all relevant stakeholders, including the involvement of United Nations organizations, in environmental issues and the multilateral environmental agreements.** UNEP facilitates the engagement of major groups and stakeholders at the programme and policy level, by exchange of information, soliciting input, capacity-building, and regular communication through the Major Groups Facilitating Committee. To enhance the participation of major groups and stakeholders and their contribution to the intergovernmental decision-making process, a multi-stakeholder dialogue is organized during the high-level segment of the UN Environment Assembly. This dialogue complements the Global Major Groups and Stakeholders Forum, which takes place prior to each session of the UN Environment Assembly. The Forum is preceded by regional consultative meetings with representatives of major groups and stakeholders, whose inputs and perspectives are provided to the Committee of Permanent Representatives and to the Assembly through written and oral statements and an official meeting document.

**The Committee of Permanent Representatives, as a subsidiary body of the UN Environment Assembly, provides policy advice to the Assembly.** The Committee contributes to the preparation of the agendas for the sessions of the Assembly and the draft decisions it will consider. The Committee, oversees the implementation of resolutions and the programme of work once they are adopted, and prepares the forthcoming programme of work for adoption by the Assembly. The Committee holds regular one-day meetings on a quarterly basis and meets in open-ended form every two years, prior to the session of the Environment Assembly. The UNEP governing structure also includes the subcommittee of the Committee of Permanent Representatives, which meets annually for five days to review the medium-term strategy and the programme of work and budget, and to prepare

the forthcoming programme of work for adoption by the Environment Assembly. In addition, one- or half-day subcommittee meetings are held once or twice a month, as needed and upon request, to consider specific issues in depth.

**The Governance Affairs Office provides secretariat support to the UN Environment Assembly and its subsidiary bodies.** The Governance Affairs Office also serves as the main interface for external relations with representatives of the UNEP governing bodies and with representatives of the major groups and stakeholders, and is responsible for promoting gender parity for meetings and activities supported by the secretariat.

## 2.3 Programme management and support

**Programme management and support comprises services provided by the UNEP Corporate Services and Policy and Programme Divisions.** The objective is to ensure efficient and effective development and delivery of the medium-term strategy and its programmatic priorities, underpinned by sound management and leadership practices. This includes guidance on programme knowledge, governance of resources, and capacity building of staff; behavioral shifts that demonstrate and support solution orientated approaches and the development of management tools that support decision making. Programme Management and Support enables strategic and coherent leadership at all levels of the organization through a reinforced accountability framework that clarifies roles and responsibilities and support the effective implementation of the programme of work. This includes guidance on programme and project design, delivery and closure; governance of resources; corporate policy development and oversight; programme monitoring and reporting; knowledge and capacity building of staff; and the development of programme and resource management tools that support decision making.

**A stronger, more networked, integrated, and results-orientated high-performing staff...** UNEP will invest in its human resources, building capacity, developing customized training and establish technical job networks across all areas of UNEP's work. UNEP will build a collaborative organisational structure and engaged workforce that fosters a culture of teamwork, innovation, and results. This new culture will stem from a transformed senior leadership that is committed to a shared strategy, and shared values such as courage, authenticity, transparency, professionalism, and solution-orientation.

**...with emphasis on compliance, efficiency, and risk management.** The plan in the 2022-2023 biennium is to extend the knowledge-based platforms, with appropriate tailor-made training and guidelines, to programme and project managers with the aim of holistically addressing audit and risk factors on financial and programme management. This will ensure that internal processes evolve to support programmatic needs and develop best in class fiduciary governance, and standards. These build on enterprise risk management tools and UN best practice.

**Focus on alignment, relevance and measurable results.** UNEP will continue the shift towards results-based management, enabling UNEP to further quantify and qualify its achievements and communicate them effectively, while demonstrating a clear line of sight between local to regional to global interventions. As part of Programme Management and Support, this means strengthening project design and review mechanisms, ensuring an enhanced quality assurance framework that informs on the implementation status of the programme, assists in the early identification of potential risks, and increases effective project implementation. In addition, this would include developing the tools, platforms, business intelligence tools and dashboards for senior management to undertake informed decisions informed by data and information, as well as performance indicators.

**Emphasis on lessons learned from audits and evaluations for continued improvement.** Opportunities will be identified to inculcate lessons learned from audits, evaluations and reports of the Joint Inspection Unit and in so doing will steer the organization on a path of strengthened operational efficiency and agility. UNEP will continue investments in informed decision making" through use of real time data facilitated by business intelligence tools and dashboards.

**Enhanced resource mobilization.** UNEP will also continue to update its resource mobilization strategy in support of the delivery of programmatic results. The update will seek to introduce additional mechanisms for partnership along thematic areas, within and outside the United Nations system, including with global funds (such as Global Environment Facility and Green Climate Fund), as well as continuing to explore strategic opportunities for engagement with other stakeholders such as civil society and the private sector. Moreover, a key element of the management direction will be renewed administrative support and engagement with multilateral environmental agreements that allow us to build efficiencies of scale whilst preserving the special mandates and governance mechanisms that oversee them.

**Dialogue to greater efficiency of service providers.** UNEP will liaise with and monitor the performance of administrative service providers, such as the UN Office at Nairobi, that provides support services to UNEP in the

areas of accounting; payroll and payments; recruitment and staff services; systems administration; procurement and inventory maintenance; host country relations; buildings management; conference management; medical services; and security and safety.

**Strong engagement in UN Reform.** The ongoing UN Development System reform will continue and expand in the 2022-2023 Programme of Work. UNEP will fully utilize new opportunities emerging through the reform process towards ensuring a wider and stronger ‘UNEP voice’ through UN Country Teams and Resident Coordinators. UNEP will also strengthen its engagement the Resident Coordinator system, both in nominations of Resident Coordinators, as well as in the accompanying feedback and performance mechanisms.

**UNEP will continue its role in contributing to the development of UN System-wide strategies on the environment.** UNEP will prioritize and allocate resources that support participation in the High Level Committee on Management and various task forces and committees mandated to provide inputs and updates that improve operational efficiencies, such as the Business Operations Strategy and Mutual Accountability Framework, as well as to existing guidelines, rules, and procedures.

**Umoja2 roll-out.** UNEP is working closely with the Umoja team in UN headquarters to finalize the design, testing, and deployment of the Umoja next generation extension (UE2), which encompasses new tools and processes covering strategic management, project management, budget formulation, implementing partners, fundraising, supply chain and conference and events management. The new modules will ultimately enhance management efficiency and effectiveness, as well as the ability of UNEP to manage and report programme and finance information and results in an integrated manner. The new extension is expected to speed up the implementing partners selection and management processes and provide a full audit trail and thus meet a high standard of transparency. The new modules are anticipated to be fully deployed and functioning prior to implementation of the 2022-2023 Programme of Work and Budget.

### 3 ...and supported by a focused budget.

#### 3.1 Planning assumptions and budget envelopes

**UNEP will widen efforts to secure the resource base for the achievement of this programme of work, both directly and by its partners.** Securing core contributions to the Environment Fund, or funding that is only softly earmarked rather than tightly earmarked, is indispensable if UNEP is to maintain its ability to deliver in accordance with the priorities agreed on by its Member States. A key lesson learned is for the organization to be able to better explain its comparative advantage and funding needs strategically, for both core and earmarked funding, as well as to comprehensively look at the landscape for potential funding sources. The proposed 2022-2023 Programme of Work and Budgets is the result of lessons learned that took into consideration historical trends in terms of expenditures, income and results, as well as the impact of the COVID-19 pandemic.

**The COVID-19 pandemic is set to result in a sharp and deep contraction of the world economies.** UNEP foresees this impact to spill over towards 2022. Accordingly, the budget proposals are based on a conservative approach whereby the earmarked and global funds associated budget envelopes are reduced by 10% from the rounded average expenditures over the last three biennia and reflect \$322M and \$272M respectively. The programme support cost envelope continues to reflect an average 10% of the earmarked funds budgets. The UN Secretariat regular budget is currently facing severe liquidity challenges that are forecasted to continue throughout the 2022-2023 biennium. While the provision provides for the same amount of financial resources as that of the approved 2020 regular budget, UNEP does not expect the release of the full allotment.

**The Environment Fund will continue to be UNEP’s financial backbone. Its budget envelope remains at \$200M, the same as in 2020-2021,** while noting that the current biennial budget was already reduced from \$271M in the 2018-2019 biennium. The envelope for the Environment Fund strikes a balance between the reality of historical contributions summing to around \$150-\$160 million and the ambition of receiving another \$40-\$50 million (\$20-\$25 million per year). The ambition is assumed to materialize with the implementation of a revised Resource Mobilization Strategy as well as a for Member States to meet their ‘fair share’ of contributions as represented by the Voluntary Indicative Scale of Contributions, while prioritizing the environment in their national budgets. As the COVID-19 pandemic has made the interlinkages between human health and the health of the planet very clear, it has also confirmed the importance of addressing environmental challenges that are at the root of zoonotic diseases. The work and mandate of UNEP as the leading global authority on the environment, providing environmental science and policy guidance remains crucial. It is, therefore, more important than ever

to ensure that UNEP has the resources needed to deliver this programme. In previous years, UNEP managed to cover the shortfall of the Environment Fund contributions from earmarked resources; however, in 2022-2023 when the earmarked and global funds as well as the regular budget resources are expected to reduce, it is essential to gather more contributions to meet the approved Environment Fund budget.

## 3.2 Overview of resources

**The proposed overall budget, comprising the Environment Fund, earmarked funding, global trust funds, programme support costs and the regular budget of the United Nations, is \$872.3 million.** The overall budget for 2022–2023 reflects a reduction of \$44.4 million as compared to the 2020–2021 budget; owing mainly to the potential reduction in earmarked funds due to the COVID-19 impact on donor contributions.

### 3.2.1 Environment Fund

**The allocation of Environment Fund is based on a review of core mandates and priorities while allowing flexibility to react to emerging issues and budget shortfalls.** The allocation to the subprogrammes considered historical data to identify standard costs used to generate results under each subprogramme. The analysis considers the fundamental core staffing requirements that consumes an average of 60% from the overall Environment Fund envelope.

**The resources under the Environment Fund provide for 431 staff positions, as compared to 422 in the 2020-2021 PoW, calculated based on the 2021 standard costs with a 3% vacancy rate.** The positions are distributed across the various programmes and subprogrammes based on a staff alignment exercise that mapped each position to the subprogramme to which it primarily contributes. The non-post requirements under the Environment Fund reflect the balance remaining under each subprogramme, after deducting the staff costs, and is calibrated to ensure adequate resources to deliver the associated expected results.

**The 2020-2023 budgets for Policy Making Organs and Executive Direction and Management is allocated the amount of \$ 12 million as compared to \$11.2 million in the 2020-2021 PoW.** The increase of \$400 thousand per year is in line with the historical trends of expenditures brought mainly by the incremental staff costs.

**The Programme Management and Support budget is increased by 1% to reflect an overall requirement of \$14 million.** The increase considers the reduction in Programme Support Cost owing to the expected decrease in earmarked funds as well as the expected strengthening of UNEP’s accountability systems by embedding the “lines of defense” to enhance effective risk management and control. These efforts, captured in our “back-to-basics model”, are enshrined in UNEP’s roadmap to strengthen foundational controls and principles for management and administration. A key ongoing priority is to ensure that foundational management practices are in place as we focus on building the capacity of our fund management and programme officers while investing heavily in internal controls and on re-sensitizing and training staff on their role as gatekeepers and custodians of policies. The provision under Programme Management and Support envisages UNEP’s commitments to engage fully in the UN reform and accordingly “strengthen its voice” through UN resident coordinators and country teams.

**87% of the Environment Fund budget is allocated to the seven subprogrammes as well as the fund programme reserve.** The budget distribution is clustered between the three action pillars and the four foundational and enabling subprogrammes.

**The Environment Fund equally allocates 12% (\$24 million) of its overall budget for each of the climate, nature, and chemicals & pollution action subprogrammes.** The increased resources under climate and pollution thematic pillars compared to that of 2020-2021 PoW is attributed to UNEP’s intention to narrow its focus on these action areas and enhance its results in line with the 2022-2025 proposed medium-term strategy. The reduced resources under the nature pillar reflect the historical trends of expenditures as well as the extrabudgetary resources associated with this subprogramme. The three subprogrammes have traditionally attracted significant extrabudgetary funding, including GEF and GCF. This reflects the strong confidence on the part of Member States and donors in UNEP’s ability to drive change in these areas. Moreover, in 2022-2025, UNEP will explore the possibility of establishing thematic funding pools for these three action areas -- additional to the Voluntary Indicative Scale of Contributions under the Environment Fund. This will allow dedicated voluntary contributions, while maintaining the programme coherence. Funds received will not fragment the programme, but will be additional to the funds received under the Environment Fund that has historically

leveraged extrabudgetary resources by catalyzing an average of 12.5 dollars more in earmarked funds for every dollar in core funding.

**The Environmental Governance and Science Policy foundational subprogrammes, as well as the Finance & Economic Transformations enabling subprogramme, are allocated an equal share of 13% each out of the overall Environment Fund budget envelope. The newly introduced Digital Transformations subprogramme is allocated 7%.** These three subprogrammes have traditionally relied on a combination of extrabudgetary funding and the Environment Fund for their core activities. Environmental Governance remains central to delivering on UNEP's core mandate and on a growing number of UN Environment Assembly resolutions. The Science Policy subprogramme continues to represent a core service and a central mandate of UNEP that includes the Global Environment Outlook series.

### **3.2.2 Earmarked Funds, Global Funds, and Programme Support Cost**

**The earmarked and global funds overall budget is distributed across the subprogrammes based on the historical trends of expenditures, that serve as a proxy for income, in the 2018-2019 programme performance report.** The programme support cost continues to reflect an average of 10% of the earmarked funds budgets and is distributed across the subprogrammes and programme management and support based on the existing guidelines and policies.

### **3.2.3 Regular Budget**

**The resources under the Regular Budget reflect the 2020 appropriation as approved by the General Assembly and continues to provide for 113 positions as well as non-post resources under each subprogramme.** Although the budgets are formulated on an annual basis, UNEP presents a biennial rolling budget for inclusion in this 2022-2023 programme of work.



### 3.2.4 Proposed Resource Requirements for all Funding Sources

The proposed resources for 2022-2023 by all the funding sources are reflected in the tables 6 (a) and 6 (b).

**Table 6 (a)**

**Total financial resource requirements by funding category: 2020-2021 and 2022-2023**

Category	Financial resources (thousands of United States dollars)		
	2020-2021	Changes	2022-2023
<b>A. Environment fund</b>			
Post	112,000	8,200	120,200
Non-post	78,000	(8,200)	69,800
Fund programme reserve	10,000	-	10,000
<b>Subtotal A</b>	<b>200,000</b>	<b>(0)</b>	<b>200,000</b>
<b>B. Earmarked funds</b>	<b>382,000</b>	<b>(60,100)</b>	<b>321,900</b>
<b>C. Global trust funds</b>	<b>250,000</b>	<b>21,900</b>	<b>271,900</b>
<b>D. Programme support costs</b>	<b>38,000</b>	<b>(5,980)</b>	<b>32,020</b>
<b>E. Regular Budget</b>			
Post	42,380	-	42,380
Non-post	4,746	-	4,746
<b>Subtotal E</b>	<b>47,126</b>	<b>-</b>	<b>47,126</b>
<b>Total (A+B+C+D+E)</b>	<b>958,924</b>	<b>(44,180)</b>	<b>872,946</b>

Note: Figures may vary slightly owing to rounding

**Table 6 (b)**

**Total human resource requirement by funding category: 2020-2021 and 2022-2023**

Category	Staffing resources (number of posts)		
	2020-2021	Changes	2022-2023
A. Environment Fund	422	9	431
B. Earmarked funds	250	2	252
C. Global trust funds	88	13	101
D. Programme support costs	90	5	95
E. Regular budget	113	-	113
<b>Total (A + B + C + D + E)</b>	<b>963</b>	<b>29</b>	<b>992</b>

**Table 7 provides the overall financial resource requirements by funding source, component and subprogramme** for the biennium 2022–2023 with comparison to the approved 2020–2021 budget (Thousands of United States dollars, figures may vary slightly owing to rounding)

<b>2022-2023 Proposed PoW Budget by Funding Source</b>												
	Environment Fund		Earmarked Funds		Global Trust Funds (GEF and GCF)		Programme support cost		Regular budget		Total Budget	
	2020-2021	2022-2023	2020-2021	2022- 2023	2020-2021	2022-2023	2020-2021	2022-2023	2020-2021	2022-2023	2020-2021	2022-2023
<b>A. Policymaking organs</b>	4,000	4,000	400	500	-	-	20	20	1,289	1,289	5,709	5,809
<b>B. 1. Executive direction and management</b>	7,200	8,000	300	1,400	-	-	-	-	5,897	5,897	13,397	15,297
<b>B.2. UNSCEAR</b>	-	-	-	-	-	-	-	-	1,645	1,645	1,645	1,645
<b>Subtotal A+B</b>	<b>11,200</b>	<b>12,000</b>	<b>700</b>	<b>1,900</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>8,831</b>	<b>8,831</b>	<b>20,751</b>	<b>22,751</b>
<b>C. Programme of work</b>												
1. Climate Action	22,200	24,000	144,800	90,500	83,500	103,900	7,200	4,500	4,536	4,536	262,236	227,436
2. Digital Transformation	15,600 <sup>4</sup>	14,000	20,200	26,800	-	-	1,000	1,300	3,087	3,087	39,887	45,187
3. Nature Action	28,000	24,000	42,400	49,000	112,500	124,200	2,100	2,400	5,299	5,299	190,299	204,899
4. Environmental Governance	26,200	26,000	42,000	26,700	500	400	2,100	1,300	9,094	9,094	79,894	63,494
5. Chemicals and Pollution Action	23,400	24,000	61,100	62,000	46,000	32,400	3,000	3,100	3,618	3,618	137,118	125,118
6. Finance and Economic transformation	28,400	26,000	61,100	49,700	-	-	3,000	2,500	3,959	3,959	96,459	82,159
7. Science Policy	23,000	26,000	7,800	13,700	3,300	3,000	400	700	6,273	6,273	40,773	49,673
<b>Subtotal C</b>	<b>166,800</b>	<b>164,000</b>	<b>379,400</b>	<b>318,400</b>	<b>245,800</b>	<b>263,900</b>	<b>18,800</b>	<b>15,800</b>	<b>35,866</b>	<b>35,866</b>	<b>846,666</b>	<b>797,966</b>
<b>D. Fund Programme Reserve</b>	10,000	10,000					-	-			10,000	10,000
<b>Subtotal (C+D)</b>	<b>176,800</b>	<b>174,000</b>	<b>379,400</b>	<b>318,400</b>	<b>245,800</b>	<b>263,900</b>	<b>18,800</b>	<b>15,800</b>	<b>35,866</b>	<b>35,866</b>	<b>856,666</b>	<b>807,966</b>
<b>E. Programme Management Support</b>											-	-
Corporate services	12,000	14,000	1,900	1,600	4,200	8,000	19,180	16,200	2,429	2,429	39,709	42,229
<b>Subtotal E</b>	<b>12,000</b>	<b>14,000</b>	<b>1,900</b>	<b>1,600</b>	<b>4,200</b>	<b>8,000</b>	<b>19,180</b>	<b>16,200</b>	<b>2,429</b>	<b>2,429</b>	<b>39,709</b>	<b>42,229</b>
<b>Total ( A+B+C+D+E)</b>	<b>200,000</b>	<b>200,000</b>	<b>382,000</b>	<b>321,900</b>	<b>250,000</b>	<b>271,900</b>	<b>38,000</b>	<b>32,020</b>	<b>47,126</b>	<b>47,126</b>	<b>917,126</b>	<b>872,946</b>

<sup>4</sup> The budget for 2020-2021 reflects the provision approved against the previous disasters and conflicts subprogramme. It is hereby included for comparison purposes and does not reflect the historical trends for the new digital transformations subprogramme.

### 3.3 Resource mobilization.

**UNEP's revised Resource Mobilization Strategy addresses the challenges and opportunities identified by Member States** to increase UNEP's funding from a wider base. It emphasises the need for better communication and outreach UNEP's value and requirements as well as appreciation of funding partners.

**A revised Resource Mobilization Strategy will address the shortfalls of core funding.** The revised strategy will also improve the balance between core and non-core income – including by encouraging provision of softly ' earmarked funding rather than 'tightly earmarked support; and by broadening the funding base(i.e., increasing the number of member States that provide funding to the Environment Fund and seeking further support from non-traditional funding sources). The Outcome Document of the United Nations Conference on Sustainable Development held in Rio 2012, in which member States committed themselves to providing secure, stable, adequate and increased financial resources to UNEP (paragraph 88 b), remains the underpinning principle of the strategy, and relies on close collaboration between the member States and the secretariat in the strategy's implementation which is also being addressed in the Action plan for the implementation of paragraph 88 "the Future We Want".

**Respecting the aspirations of the Rio+20 Outcome document, while increasing core funding.** The strategy encourages multi-year commitments to the Environment Fund, in line with the commitments of Member States made as a result of Rio+20 and their 'fair share' of contributions as represented by the Voluntary Indicative Scale of Contributions. To improve the balance between core and non-core funding, the strategy encourages provision of 'softly' earmarked funding rather than 'tightly' earmarked funding.

**A clear definition of, and increased communication on, the organization's comparative advantages and strengths.** The Strategy will inform stakeholders about the funding challenges and opportunities and the purpose and needs of various funding sources; on intensified, targeted outreach to current and potential funding partners; and on increased public recognition and appreciation of current funding partners. In addition to engaging with Member States, the Resource Mobilisation Strategy foresees exploring engagement with several other partners, such as: multilateral entities; foundations; the private sector; and new and innovative funding mechanisms.

#### 3.3.1 Environment Fund

**Increasing total funding of the Environment Fund and encouraging more Member States to provide funding at their 'fair share'** as represented by the Voluntary Indicative Scale of Contributions, are key objectives for resource mobilisation.

**Reaching the budget target for the Environment Fund agreed with Member States has remained a challenge.** In the biennium 2018-2019, the \$131.3 million gap between the budget (\$271 million) and income (\$139.7 million) represented 48 per cent of the whole budget. In the biennium 2016–2017, the budget was \$271 million, while income amounted to \$135 million, leaving a gap of \$136 million (50 per cent of the whole budget). At the same time, earmarked funding increased. While such funding has enabled the organization to achieve strong results within the priority areas of the funding partners, it has left other core areas of the programme of work underfunded and only partially implemented. The organization's ability to deliver the programme of work in its totality will continue to depend on whether member States meet their commitments to the Environment Fund. When it comes to the Environment Fund, the Resource Mobilization Strategy's main objective is twofold: to increase the total funding; and to increase the number of member States that contribute. To achieve this, the strategy foresees to improve information sharing on the results achieved with the funding from the Environment Fund, the allocation of resources and which activities it funds, and to communicate more effectively on the consequences of not receiving enough core funding.

**The Resource Mobilization Strategy also aims to increase the communication about the 'fair share' as represented by the Voluntary Indicative Scale of Contributions.** This entails more information about how it is calculated, and the principles behind it, including the universal responsibility which follows from UNEP's universal membership. Further, the strategy foresees increasing the public visibility and recognition of those member States that provide core funding, especially at their 'fair share' level. With regard to funding modalities to the Environment Fund, multi-year contribution agreements and contributions according to a member State's 'fair share' are encouraged. In 2019, the Secretariat and the member States intensified their dialogue on UNEP's

funding, including through an online survey in 2020, to increase the understanding on factors that influence member States' decisions on funding of UNEP. The results of this dialogue, which will continue, have already yielded important insights, and these will be incorporated into the revised Resource Mobilization Strategy.

### 3.3.2 Earmarked funds

Earmarked funds are an important source of income to the organisation and would be more beneficial to both the funding partners and delivery of results if provided as soft earmarking. While understanding that the priority of resource mobilisation is to increase the core funding to the Environment Fund, the Secretariat is realistic about the fact that earmarked funds will continue to provide an important portion of the organisation's income. In light of this, the Secretariat will increase outreach on explaining the challenges of tightly earmarked funds, and the benefits of soft earmarking, both for the funding partners and UNEP, to encourage funding partners to shift from tightly earmarked to softly earmarking funding.

### 3.3.3 Regular budget

**The Regular Budget is a small but critical part of the budget.** As part of the Secretary General's reform process, and as implemented in 2020-2021, the regular budget for 2022-2023 will continue to be prepared on an annual basis. Notwithstanding these changes, UNEP will still present biennial rolling budgets for inclusion in this programme of work. Pursuant to General Assembly resolution 73/260, in which the Assembly expressed concern about the sustainability, predictability and stability of funding for the Programme's governing body, the General Assembly approved the amount of \$8,500 in support of the annual sub-committee taking place in 2020. In 2021, UNEP presented its funding requirements for holding the fifth session of the Environment Assembly. The total requirement, yet to be approved by the General Assembly, is \$410,100, and provides for hospitality, overtime, and general operating expenses.

### 3.3.4 Funding Partners

**Multilateral entities are changing the way they deliver their work, and UNEP will adapt to these changes.** UNEP will transform its partnerships with the multilateral financing mechanisms, key UN sister organisations, and international financial institutions. This can mean shifting from small to medium-scale initiatives that fund individual parts of UNEP's programme of work, to identifying multilateral partners that will allow the organisation to bring more impact and complement the core resources. This means fewer, larger and more strategic initiatives that increasingly engage the private sector and investment actors on a strategically connected portfolio.

**UNEP will engage with foundations, which play an increasingly important role in development work with a potential of \$120 trillion in investment funds.** The objective of engaging with this sector is to identify high-value partnerships that can be developed in order to secure the highest returns with the cleanest fit between the agendas, so that long-term transformative partnerships for change are set in place. This would include both direct funding for UNEP and support to areas and organisations who replicate and support the implementation of this programme.

**UNEP will elevate its engagement with the private sector by building transformative partnerships** (including public-private partnerships) that contribute to the implementation of the organisation's key transformational goals in the thematic areas of climate, nature and pollution. UNEP will engage the private sector in the work of the governing bodies; help private sector actors green their own businesses; as well as promote sharing of data, learning and best practices. The emphasis of the collaboration is in partnerships for change but a small increase in direct financial contributions from the private sector is anticipated as a by-product.

**Striving for innovation.** UNEP will also invest in the continued exploration of innovative funding mechanisms, learning from sister UN agencies and other organisations that strive for continued innovation. The funds generated would be focused on specific areas of work, hence complementing the core funding.

### 3.3.5 Human Resources

**Delivering the medium-term strategy through a diverse, high-performing workforce.** UNEP seeks to be optimally prepared to delivery its medium-term strategy through a diverse workforce of talented and highly performing people, who are appropriately deployed and benefit from comprehensive care and support from the organization. UNEP is developing a human resource strategy that aims towards outlining the technical and managerial competences needed. Initial activities have already started around skills mapping and will provide inputs towards an upcoming staffing review of secretariat functions. This would include reviewing of functional titles, mapping positions and rightsizing of functional roles and responsibilities to the appropriate subprograms and thematic areas for 2022-2025 medium-term strategy. Staff members will be provided with opportunities to develop within the human resources career stream, while ensuring that a range of sound policies, procedures and systems are in place to enable them to perform their functions.

**Enhanced participation in the support to management and strategic corporate reforms.** UNEP plays a key role in supporting the Secretary General’s management reforms and participates in several working groups and task forces around Human Resources. As an active participant in shaping future HR transformation on policy, UNEP is a member of the special working group on the Central Executive Board’s task force on Sexual Exploitation and Abuse, established and built internal capacity in Conduct and Discipline functions, participates in the High-Level Committee on Management working groups on recruitment, outreach, future of work modalities, and mobility; and, sits on the Human Resource Task Force on Training and Learning, and Multi-Lingualism. UNEP continues to make a concerted effort to identifying and developing future senior leaders and actively engages with and supports the Resident Coordinator System by facilitating and supporting nominations of UNEP candidates for both the Resident Coordinator Assessment Centre and Resident Coordinator positions.

**Staff development and capacity building.** Realigning training and staff development in support of UNEP’s key reforms and strategic priorities continued in 2019 with the development of the first online Corporate Academy for Finance Management Officers. The Corporate Academy is an example of UNEP’s continued investment in its staff. It aims to develop and provide scope for capacity building, while establishing best practices, and improving transparency, accountability and risk mitigation. The Corporate Academy will be expanded and replicated to incorporate other functional skill profiles such as program management in the future.

**Addressing gender gaps.** UNEP continues to address the gender gap, in line with the Secretary-General’s system-wide Gender Parity Strategy in supporting overall gender interventions to transform and achieve gender equality that contributes to achieving Sustainable Development Goals. UNEP continues to make sound progress in this area. Since the inception of Gender Parity Implementation Plan, targets to increase gender parity, have improved considerably, particularly at mid-level and Senior leadership levels. UNEP continues to actively engage and work with Hiring Managers and the Executive Office to oversight and improve on overall gender parity targets at these levels and is committed to reaching parity goals.

**The impact of the COVID–19 Pandemic posed several challenges for Human Resources and duty of care.** UNEP remains robust and flexible in response to these challenges and to ensure that its business continuity process is carried out smoothly and without major disruption to operational support. COVID-19 required the organization to globally issue several administrative guidelines to address specific administrative and recruitment issues, given travel limitations, telecommuting, duty of care support to affiliate non-staff (Interns), and country specific situations. The impact of the pandemic on the global economy has also resulted in additional financial constraints globally to the Organization given urgent operational requirements to redirect funding to critical COVID-19 related activities.

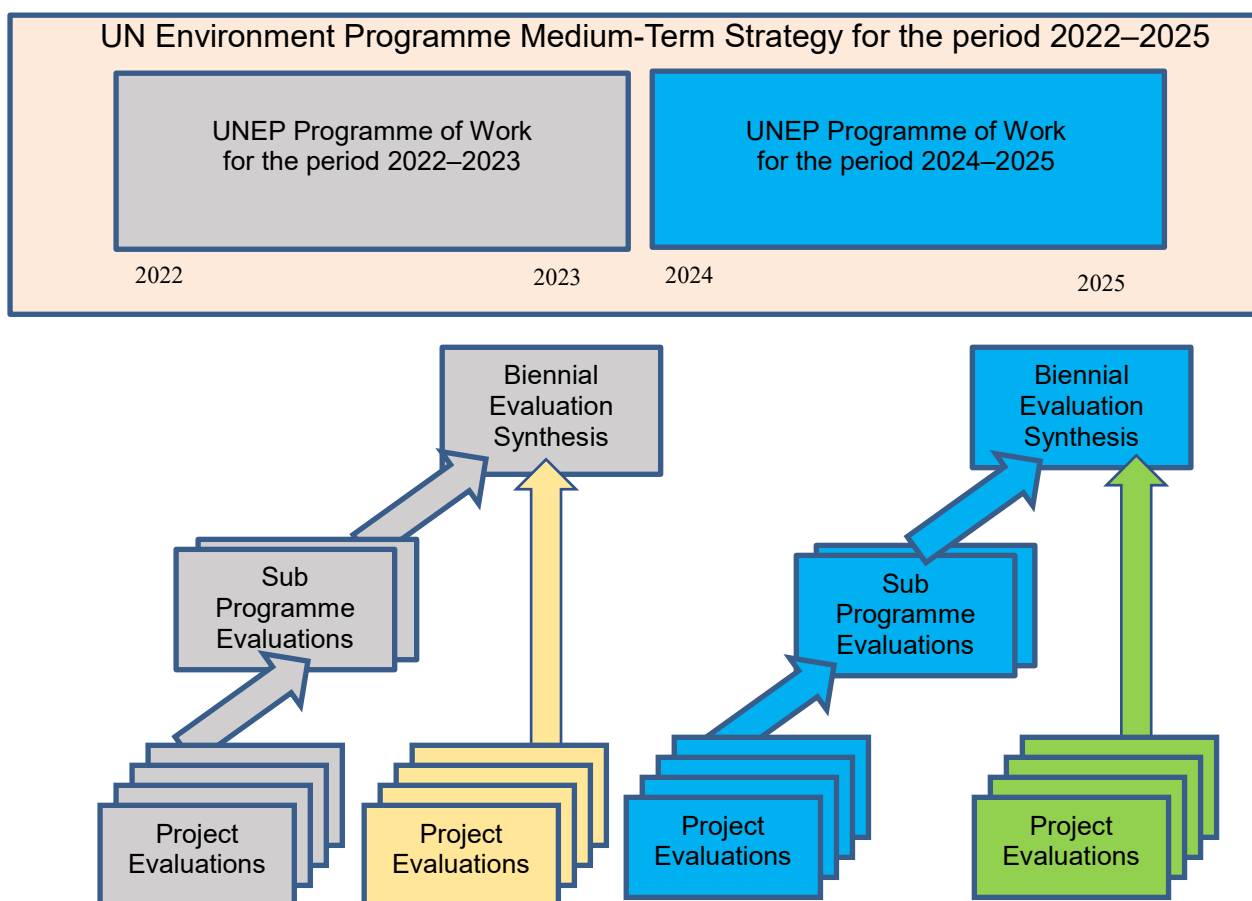
## 4 Appendices

### 4.1 Appendix I: Evaluation plan for the period 2022–2023

**Clear focus on results.** A prominent feature of the medium-term strategy and its constituent programmes of work is its results orientation. This is reinforced by the UNEP evaluation approach, which has for many years had a strong focus on the organization’s performance in achieving results that are in line with objectives and expected accomplishments. The evaluation plan proposes a combination of complementary evaluations at different levels examining different themes.

**Systematic assessments for better performance.** The approach to evaluating the programme of work within the medium-term strategy will involve systematic assessments of the subprogrammes and their project portfolios (Figure 6). As a project modality is used to deliver results that are fully aligned with the expected accomplishments, the performance of projects will continue to be evaluated using earmarked resources set aside from project budgets. All evaluations will be conducted in accordance with the United Nations Evaluation Group standards for evaluation to ensure consistency in the quality of the evaluations and to enable the findings to be used for evaluations of performance at the subprogramme level.

Figure 6. Approach to evaluating the Programmes of Work within the Medium-Term Strategy



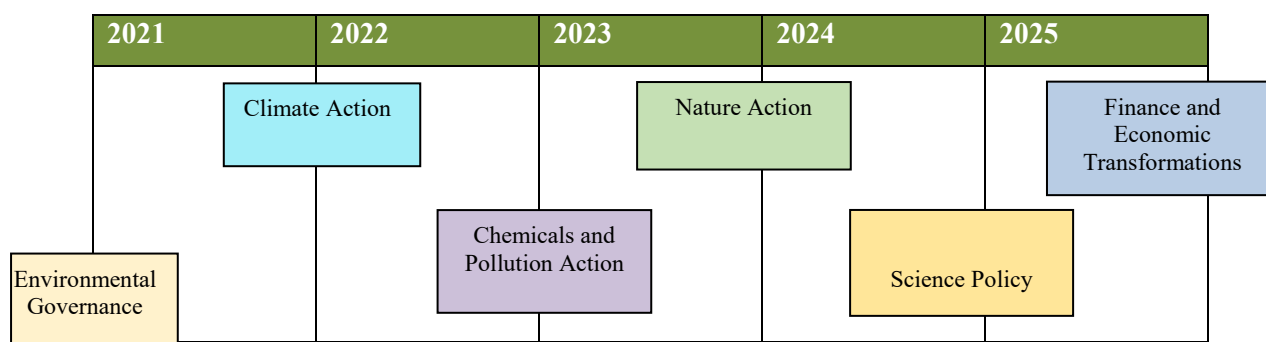
**Standardized criteria are used to evaluate performance and assist aggregation of evaluation findings across the various UNEP interventions.** These evaluation parameters are used in all project and subprogramme evaluations and are consistent with international best practice and the United Nations Evaluation Group standards for evaluation. The criteria include: strategic relevance and complementarity; effectiveness (including: availability of outputs, achievement of outcomes and likelihood of impact); sustainability of benefits realised at outcome level; efficiency; financial management; monitoring and reporting, and factors affecting performance including: preparation and readiness; quality of project management and supervision; extent of stakeholder engagement and country ownership; responsiveness to human rights<sup>5</sup> and gender equity; environmental, social and economic safeguards and communication and public awareness.

**Inclusive scope and specific objectives. The scope of the work of the evaluation function of UNEP** comprises the programmes and projects of the Environment Fund, related trust funds and projects funded by the Global Environmental Facility, Green Climate Fund and Adaptation Fund that are implemented by UNEP as part of the Programmes of Work. Specifically, the objectives of this plan are:

- a) To assess the relevance, effectiveness, efficiency, sustainability and impact of UNEP programmes;
- b) To derive and share lessons learned from the implementation of programme and project activities; and
- c) To ensure that the evaluation recommendations issued by the Evaluation Office and accepted by UNEP programme management and division directors are implemented.

**Evaluation sequence.** The sequence of evaluations of UNEP subprogrammes will continue as set out in Figure 7. As in previous years, all subprogramme evaluation reports and the recommendations therein will be circulated to UNEP senior management team and presented to the Committee of Permanent Representatives. A plan for the implementation of the evaluation recommendations will be developed based on considerations of the time required for changes to be evident at the subprogramme level.

**Figure 7. Proposed schedule of subprogramme evaluations**



**Project evaluations.** The performance of projects that have reached operational completion will be evaluated. It is estimated that approximately 60 project evaluations will be completed over the Programme of Work period. Evaluation processes are carried out in close cooperation with the relevant project / programme managers and evaluation reports are circulated to the senior managers and posted on the Evaluation Office website. The Evaluation Office will continue to draw lessons from these evaluations and issue recommendations with formal implementation compliance tracking.

**At the end of the biennium 2022–2023, an evaluation synthesis report will be prepared summarizing UNEP performance through trends and patterns observed during the biennium from completed evaluations at all levels.** The patterns and trends will be used to identify recommendations and lessons to be brought to the attention of, and discussed with, Subprogramme Coordinators and UNEP senior management. The report will be presented to the Committee of Permanent Representatives and the Environment Assembly and disseminated to national Governments and UNEP staff.

**The Evaluation Office will follow up on the implementation of evaluation recommendations to ensure that actions required to improve programme performance and management are taken in a timely manner.** The

<sup>5</sup> Consideration of the needs of all vulnerable groups, including those living with disabilities, youth, children, indigenous people and those living in poverty, are included under the assessment of responsiveness to human rights.

Evaluation Office will report on the status of these recommendations to the Executive Director every six months and will publish compliance statistics for evaluation recommendations in the evaluation synthesis report and on the Evaluation Office website.

#### **4.2 Appendix 2: Audited financial statements of the United Nations Environment Programme for the year ended 31-December-2019 and Recommendations of the United Nations Board of Auditors (<https://undocs.org/en/A/75/5/Add.7>)**

**Financial report and statements were prepared by UNON on behalf of UNEP, based on International Public Sector Accounting Standards (IPSAS)** and in accordance with rule 106.1 of the Financial Regulations and Rules of the United Nations, for the year ending 31 December 2019. The financial statements were reviewed by UNEP and signed by Executive Director on 31 March 2020. They were submitted on 31 March 2020 to the Board of Auditors in accordance with the provisions of regulation 6.2, which requires that the annual financial statements be submitted to the Board following certification no later than three months following the end of the relevant financial period. The Board of Auditors currently comprises members from Chile, India and Germany. The UNEP accounts were audited by the audit office Chile.

**The Board of Auditors issued an unqualified audit opinion on the financial statements of UNEP for the year ended 31 December 2019.** In addition, the Board found no significant errors, omissions or misstatements that could affect its opinion on the UNEP financial statements. In its report, the Board did identify scope for improvements in some areas that require management action.

**In its audit for the financial year ended 31 December 2019, Board of Auditors issued 60 recommendations, including 17 main recommendations.** All the recommendations were accepted and are under implementation. Further, in the annex to Chapter II of its report for the year ended 31 December 2019, the Board provided a summary of the status of implementation of 35 recommendations for previous financial periods. Based on the evidence provided by UNEP on the implementation of these prior year recommendations, the Board closed 11 of them. The information relating to the outstanding recommendations that were assessed by the Board to be either “Under implementation” or “Not implemented” etc., are provided in the Board’s report.



4.3 Appendix 3: Organigram

