

Statement by Switzerland on UNEP Programme of Work & Budget 2020-21 (Budget part)

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Thank you, Madam Chair

I would like to thank the Secretariat for the information provided in the run-up to this meeting as well as for today's presentations.

Let me first address the level of the Environment Fund

- The income of the Environment Fund has decreased over the course of the last three biennia, while the **collection rate got worse and worse**. The 2018 projections foresee that only 55% of the budget will be actually funded. We share the Secretariat's assessment that this is a worrying development.
- In hindsight, the increased budgets in response to the call by Rio+20 to strengthen the environmental pillar of the UN have been too optimistic. There are a lot of reasons why Member States chose not to fund the ambitious budgets to the full extent. In any case, the **previous EF budgets cannot serve as the baseline for our deliberations this year** and it would not be accurate to talk about a "decreased budget" for 2020-21, when at no point in time the previous budgets corresponded to the reality of received funding. The final decision on the 2018-19 budget at UNEA-2 was not radically different from the budget initially proposed by UNEP and discussed beforehand in the CPR. At that moment, Switzerland argued in the discussions that the budget was not realistic.
- At the same time, Switzerland has repeatedly called for contributions to the Environment Fund according to the **Voluntary Scale of Contributions**. Countries that are currently below their share of the scale should increase their contributions to the Environment Fund.
- Given the budget constraints we further argue that **UNEP must more than ever adhere to its core mandates and play to its strengths**. This is not in line with attempts to re-shape the work of UNEP or put emphasis on new issues that absorb human and financial resources away from the programme of work that member states have decided upon.
- Having said this and with a view to the 2020-2021 budget, **we advocate for a lower EF budget level of USD 150 million**. This is more than the average income over the last three biennia (option B = 142 million) and includes an optimistic and ambitious notion of a trend-reversal.
- A USD 200 million budget, as proposed by the Secretariat, **does not reflect the trend of the last years and is overly optimistic** with regard to a new, untested fundraising strategy.
- This would mean a **further reduction of the Environment Fund by USD 50 million**.
- When it comes to the prioritization of funds, we have a remark concerning Para 26(a), p.12. ("Areas relating to the core mandate, such as the science-policy interface and environmental governance, will be prioritized") In our view, **this principle has not been observed during 2018-19**, since all appropriations from the EF to the subprogrammes have been cut proportionally. There was no discernible prioritization in the 2018 budget.

With regard to the level of other funding streams...

- We generally **support option C for the other revenue sources**. But we need more information about the source of the optimism regarding these funds? Does the Secretariat have solid medium-term pledges from MS or Global Trust Funds on xb contributions?

- Overall, our proposal would result in an overall biennial budget of USD 858 million. This would still result in a **9% growth of the biennial budget**, while at the same time being more realistic. It would therefore not be accurate to describe such a budget as falling short of the Rio+20 expectations and undermining the capacity of UNEP to contribute towards the implementation of the environment dimension of the Sustainable Development Goals.
- If the fundraising strategy for the EF is successful and a positive trend can be observed during the next biennium, Switzerland would be more than happy to **go back to a higher level of EF budgets** from 2022 onwards.

Let me now address the budget for the Executive Office

- Table 2, Line B.1. Executive direction and management: It seems that the contribution from the regular budget has been back-changed for the 2018/19 budget. What is the reason for this? This budget line should not be increased compared to 2018-19 and **remain at 13.5 USD million**.
- Table 5(a): We question the massive changes in post resources. According to the information we requested, the staffing of the Executive Office in 2017 was at 27. The budgeted staffing for 2020/2021 is at 50. **We request a staffing ceiling of a maximum of 35 posts** (=still increase compared to 2018-19). Line managers must be empowered, EO should be lean, not duplicating functions in subprogrammes and divisions. We see no necessity to increase staffing in the Ex. Office by 100%. Moreover, the *additional* 17 posts in the EO are primarily funded by the EF while the PoW/B states that EF allocations should be “focused on core functions” (p. 15, para 38) and while the aim is to allocate more funding for programme delivery versus staff cost (p. 12, para 28).
- We note from the information provided by the Secretariat in response to our information requests that the **Executive Direction and policymaking organs have been the only entities in the Secretariat that have been spared reductions** in comparison with the approved budget under the EF. In this regard, we also note with concern that paragraph 9 of the Budget resolution 2/20 has not been complied with, as no prior consultation with CPR took place.
- We also note that the expenditures in the **Executive office have increased by 30%** between 2012/13 and 2016/17. A further increase is budgeted for the coming biennium. We do not see merit in this sharp increase and request that the budget for Executive direction and management remain at 13.5 million overall and that not more than 7.8 million USD to be spent from the EF.

Madam Chair, please let me now turn to some observations and questions with regard to other parts of the proposed budget:

- We notice that UNEP plans to increase overall staffing numbers by 30% from 875 to 1133 in the next biennium? **How can such a massive growth be justified and financially sustained?**
- What is the **rationale behind the splitting of resources from earmarked funding, global trust funds and PSC in post and non-post resources?** And what are the implications? Does the total of budgeted post resources correspond to the proposed number of staff in the staffing tables? We have some doubts: For instance, subprogramme “Healthy and productive ecosystems” sees a total reduction in funds for posts of over \$95m (total of all funding categories), yet the staff numbers are projected to increase by 58 posts (p.62). The same goes for the Subprogrammes “Chemicals, waste and air quality” and “Resource efficiency”.
- There seems to be a tendency for **more communication activities across all subprogrammes**. While targeted, relevant communication is certainly necessary, but an increase in general outreach efforts should not be done at the expense of programmatic work.

- Looking at Table 2 Line A. Policymaking organs: **Why the sharp increase from 1.7 million to 4 million under the EF?** Provision for future UNEAs? See also Table 4(a). Why more posts from the EF? What does it change? Will it help funding/servicing future UNEAs?
- Table 2: Line E: Programme Management and Others: Will UNEP not have to contribute to the **cost-sharing for the new Resident Coordinators model?**
- Table 2: Line E: **What are the Umoja & GSDM costs?** Why is the budgeted amount of USD 3,469,000 more than three times the amount set aside for Umoja licenses in the previous PoW/B? How does this amount compare to the realized efficiency gains by the deployment of Umoja (and its next generation module)?
- Table 9(a) ,p.74: **Environmental governance** is a key core mandate of UNEP, but resources decrease and staffing as well. We do not understand the rationale behind this. How do these figures align with the stated “Prioritisation of Funds” (p.12) where UNEP commits to prioritize “areas relating to the core mandate, such as the science-policy interface and environmental governance?”
- Table 12(a) ,p.105: **Environment under review**: Same observation here. This is a core mandate, which should be prioritized according to Secretariat’s own criteria. In reality, the opposite is happening.
- We request additional information about the “**Programme reserve fund**”. What is the rationale to build-in even more flexibility in an already very unstable budget? What has it been used for in the last biennium and in 2018? We think that this amount could be reduced further.

Let me finish my statement with some thoughts on the way forward

We would request the Secretariat to make available the information requested by us and many other delegations in writing **as quickly as possible**, so that we can still make use of it during the Annual Subcommittee Meeting.

Madam Chair, I’m afraid **the budget of an international organization cannot be adopted through a series of question and answer sessions with the Secretariat**. Adopting a budget requires in-depth discussions, even negotiations, between Member States, based on information provided by the Secretariat.

We are concerned that the current format of the Annual Subcommittee does not seem to allow for this kind of structured exchange between Member States and we would like to ask the Bureau of the CPR and colleagues to reflect on **how we, as Member States, can move the budget discussion forward during the coming four days**.

Thank you, Madam Chair