UN environment

**United Nations
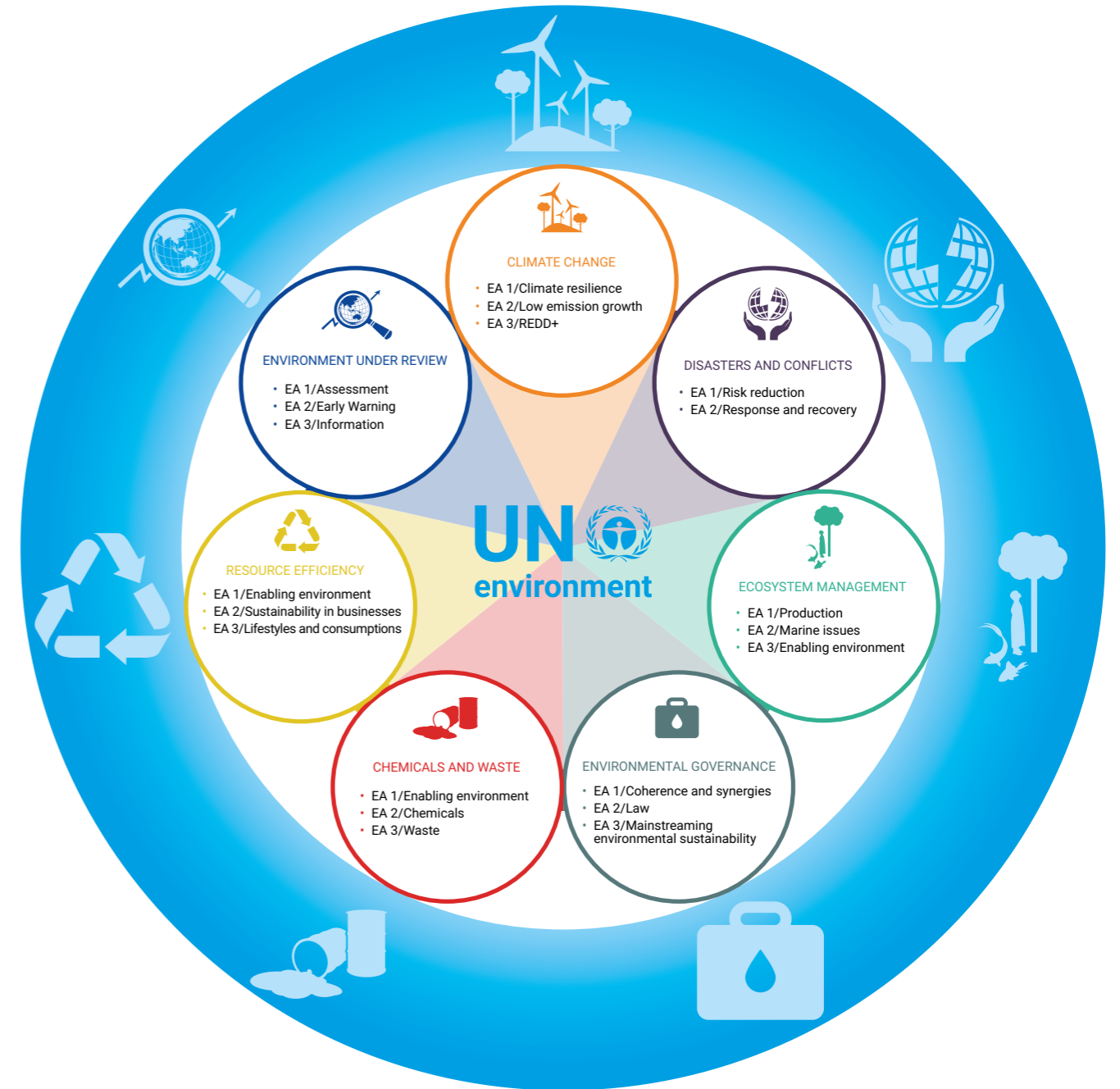Environment Programme**

PROGRAMME
PERFORMANCE
REPORT 2016

2016

UN environment

United Nations Environment Programme

Programme Performance Report

Climate change

Disasters and conflicts

Ecosystem management

Environmental governance

Chemicals and Waste

Resource efficiency

Environment under review

CONTENTS

UNEP's results framework

CLIMATE CHANGE
- EA 1/Climate resilience
- EA 2/Low emission growth
- EA 3/REDD+

ENVIRONMENT UNDER REVIEW
- EA 1/Assessment
- EA 2/Early Warning
- EA 3/Information

DISASTERS AND CONFLICTS
- EA 1/Risk reduction
- EA 2/Response and recovery

RESOURCE EFFICIENCY
- EA 1/Enabling environment
- EA 2/Sustainability in businesses
- EA 3/Lifestyles and consumptions

ECOSYSTEM MANAGEMENT
- EA 1/Production
- EA 2/Marine issues
- EA 3/Enabling environment

CHEMICALS AND WASTE
- EA 1/Enabling environment
- EA 2/Chemicals
- EA 3/Waste

ENVIRONMENTAL GOVERNANCE
- EA 1/Coherence and synergies
- EA 2/Law
- EA 3/Mainstreaming environmental sustainability

UN environment

We partner with United Nations sister agencies, secretariats of multilateral environmental agreements and other strategically placed institutions, including private sector, driven by the potential impact leveraged from each opportunity.
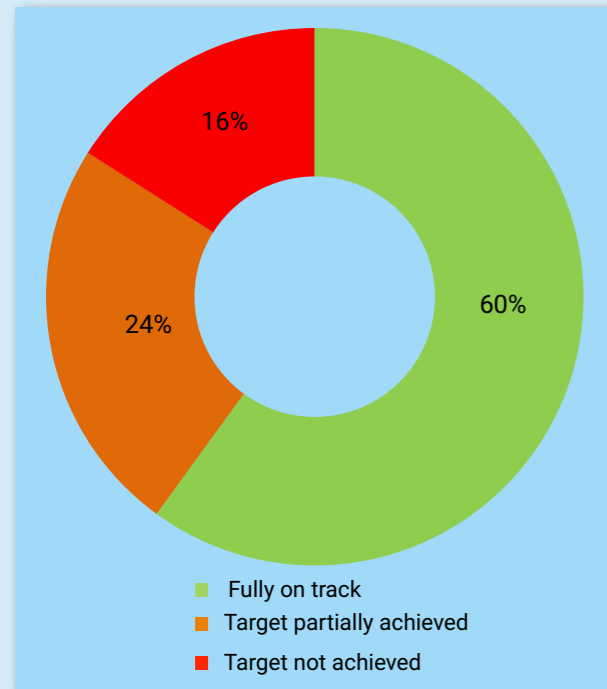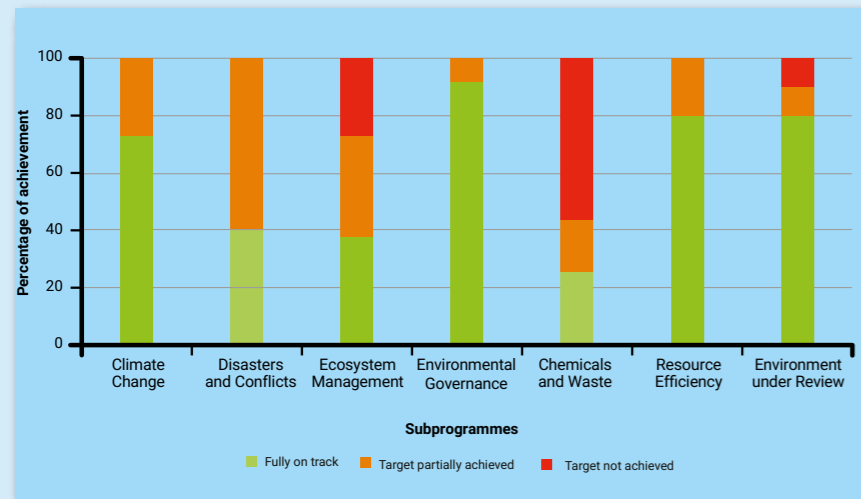
UN Environment is the lead organization to coordinate environmental matters within the United Nations system. We produce environmental assessments and analyses, norms, guidelines and methods for use by stakeholders looking for guidance on how to effectively manage the environment for their sustainable development and economic growth. With a global remit, some 850 staff and a 2016 expenditure of $511.2 million, our ability to achieve significant impact is based on partnerships—integral to the organization's strategy to place environment and sustainable development, at the heart of everything we do.

Our products and services give us a broad array of tools to catalyse change in response to demand.

We are committed to strengthening our operations to enforce results-based management.

OVERALL PERFORMANCE METRICS

Overall performance

- Fully on track
- Target partially achieved
- Target not achieved
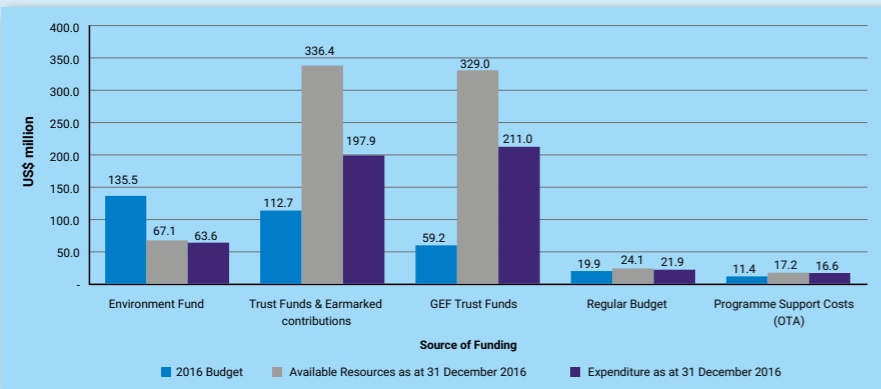
Over 60% of indicators have fully achieved the targets for 2016

Status of achievement of indicators in the Programme of Work

Percentage of achievement

Climate Change | Disasters and Conflicts | Ecosystem Management | Environmental Governance | Chemicals and Waste | Resource Efficiency | Environment under Review

Subprogrammes

- Fully on track
- Target partially achieved
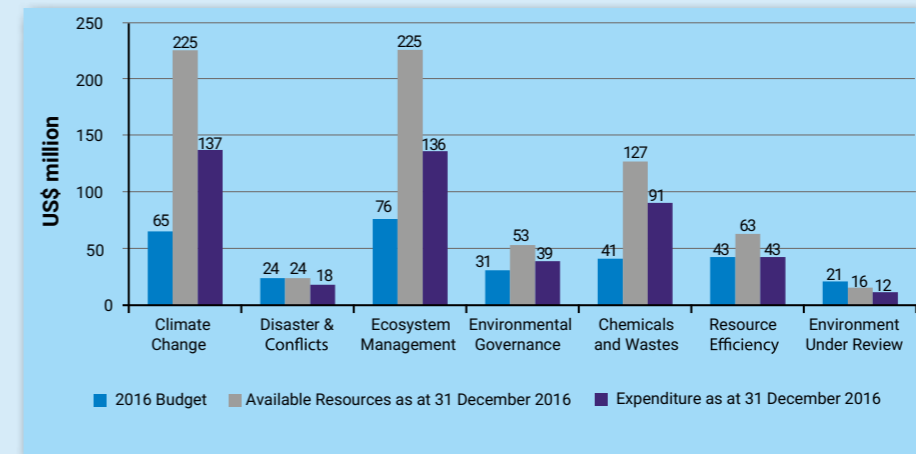- Target not achieved

The majority of results in each subprogramme have been achieved and where not, adaptive measures have been taken to improve future performance

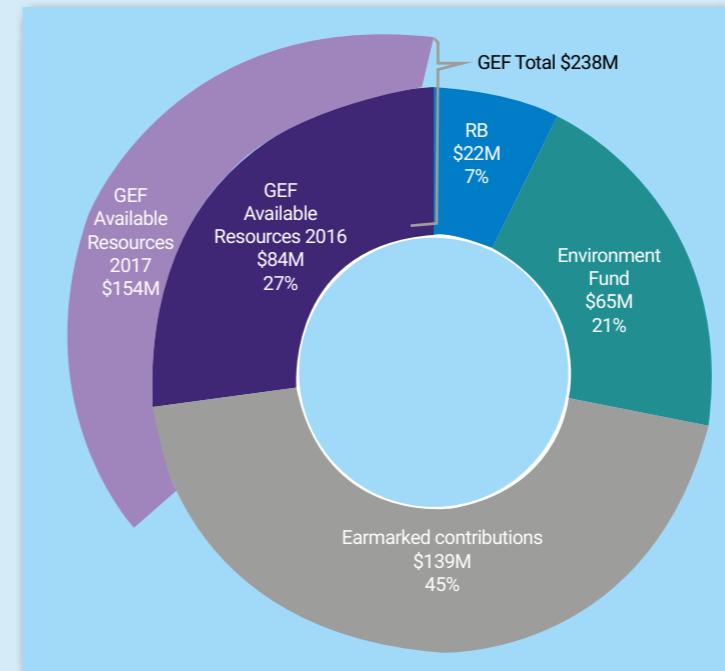## 2016 Budget performance by funding source

US$ million

	Environment Fund	Trust Funds & Earmarked contributions	GEF Trust Funds	Regular Budget	Programme Support Costs (OTA)
2016 Budget	135.5	112.7	59.2	19.9	11.4
Available Resources as at 31 December 2016	67.1	336.4	329.0	24.1	17.2
Expenditure as at 31 December 2016	63.6	197.9	211.0	21.9	16.6

Source of Funding

- 2016 Budget
- Available Resources as at 31 December 2016
- Expenditure as at 31 December 2016

Earmarked funding was higher than targeted for 2016 while the Environment Fund was lower

Analysis of 2016 budget allocations and expenditure

US$ million

	Climate Change	Disaster & Conflicts	Ecosystem Management	Environmental Governance	Chemicals and Wastes	Resource Efficiency	Environment Under Review
2016 Budget	65	24	76	31	41	43	21
Available Resources as at 31 December 2016	225	24	225	53	127	63	16
Expenditure as at 31 December 2016	137	18	136	39	91	43	12

- 2016 Budget
- Available Resources as at 31 December 2016
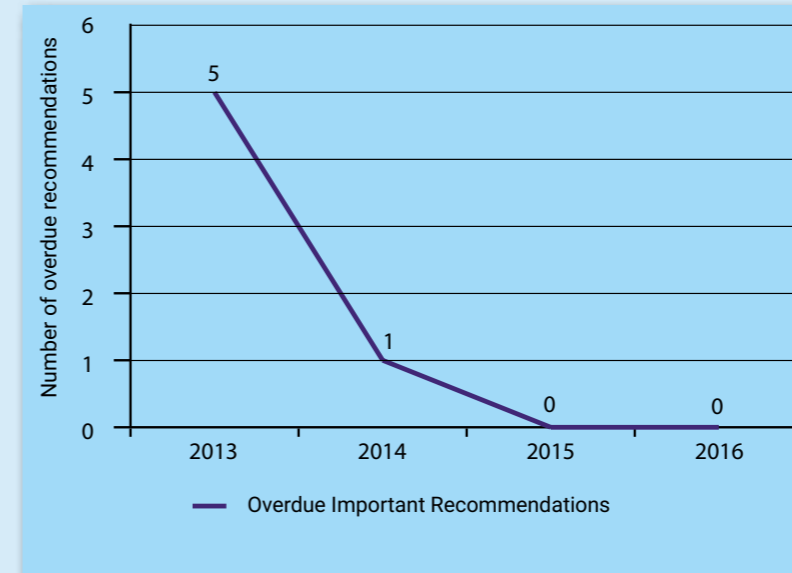- Expenditure as at 31 December 2016

More areas of UN Environemnt work received more funding than projected budgets because of earmarked funding

2016 Member States and other donors funding of UN Environment by fund type

GEF Total $238M

RB $22M 7%

GEF Available Resources 2017 $154M

GEF Available Resources 2016 $84M 27%

Environment Fund $65M 21%

Earmarked contributions $139M 45%

Earmarked funding constitutes majority of income for UN Environment.

Trends in audit recommendations

Number of overdue recommendations

| 2013 | 2014 | 2015 | 2016 |
| 5 | 1 | 0 | 0 |

— Overdue Important Recommendations

"Complementing UNEP's own monitoring of performance were reviews and internal audits conducted by the UN Office of Internal Oversight Services (OIOS). UNEP has consistently reduced the number of outstanding or overdue "important" recommendations, from 5 in 2013 to zero in both 2015 and 2016, thereby demonstrating continued improvements in its operations. Another indication of UNEP's improved operational performance is that OIOS has made no "critical" recommendations to UNEP since 2011. Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes.

*Figures may slightly differ from total due to rounding off

2016 Programme Performance Overview

Status of Achievement of Expected Accomplishments in the Programme of Work

UN Environment this year commemorates 45 years of its existence with a track record in leading efforts to protect our environment. Established in December 1972 as a follow up to the Stockholm Conference on the Human Environment, UN Environment further strengthened its strategic leadership in 2016, exercising its role as a global authority on the environment. It implemented its Medium Term Strategy and Programme of Work, strengthening its partnership with governments, local authorities, the UN system, the scientific community, business, investors, and civil society. No stakeholder was left behind in the joint effort to address the challenges of sustainability and resilience.

A TRUSTED PARTNER

In 2016, the "Multilateral Organization Performance Assessment Network" conducted a thorough review of the organization's strategy, delivery model, systems and operations. UN Environment was confirmed as a trusted partner, an actor that "meets the requirements of an effective multilateral organization" and that "shows continued strength in terms of being a global authority on environmental issues and providing a robust evidence base for advocacy and policy dialogue… with… a sound operational model, appropriate policies, processes and procedures in place that are expected of a well-functioning multilateral organization." The review

Summary of MOPAN's Findings on UN Environment

MOPAN scoring summary sheet

Scoring colour codes			
Highly unsatisfactory (0.00 – 1.00)	Unsatisfactory (1.01 – 2.00)	Satisfactory (2.01 – 3.00)	Highly satisfactory (3.01 – 4.00)

Performance Area: Strategic Management

Performance Area: Operational Management

Performance Area: Relationship Management

Performance Area: Performance Management

Performance Area: Results

stated that strategically, we have built, over time, a '...results framework that provides clear vision and strategic direction'; organizational systems and processes in place that are 'fit for purpose' and are able to form 'effective partnerships which are central to the service delivery model'.

The task of underpinning the organization's strategic and programmatic work with adequate, and efficient systems remains a constant one: we now must begin using the key parameters and criteria offered by the review to improve further, to better align our programmes with the 2030 agenda and with the work of other UN agencies; to build a robust business intelligence framework that allows effective use of performance data, and greater ability to conduct analysis and reviews; and to strengthen our partnerships and alliances to successfully tackle the growing complexity of the environment and development landscape globally.

These parameters do constitute the essential kit of "fundamentals" that will constantly help us perform as a confident organization, a "trusted partner" to governments, businesses and people.

STRATEGIC LEADERSHIP

Significant changes in the global policy landscape have occurred in 2016.

In October, the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer struck a landmark deal to reduce the emissions of powerful greenhouse gases, hydro fluorocarbons (HFCs), in a move that could prevent up to 0.5°C temperature rise by the end of the century while protecting the ozone layer. The Kigali Amendment to the Montreal Protocol, whose Secretariat is hosted by UN Environment, will be an important contribution to the world towards keeping global warming well below 2°C of pre-industrial levels. Also important is the Minamata Convention on Mercury that will likely enter into force in 2017, with only 15 additional member states' ratifications needed.

On 4 November – less than a year after it was adopted – the Paris Agreement on Climate Change came into force following the ratification by 55 countries whose economies account for 55 per cent of all global greenhouse gas emissions. The unprecedented speed with which the Paris Agreement was ratified is a powerful confirmation of countries' commitment to urgently tackle climate change – and a similarly powerful reminder of the huge tasks set out for us in assisting its partners in the implementation of such an ambitious agreement. 2016 was the hottest year on record since record keeping started in 1880.

With the world urban population expected to nearly double by 2050, urbanization is one of the 21st century's most transformative trends, posing massive sustainability challenges in terms of housing, infrastructure, transport, basic services, food security, health, education, decent jobs, safety, and natural resources, among others. Member states adopted the Quito Declaration on Sustainable Cities and Human Settlements for All to take action on this front.
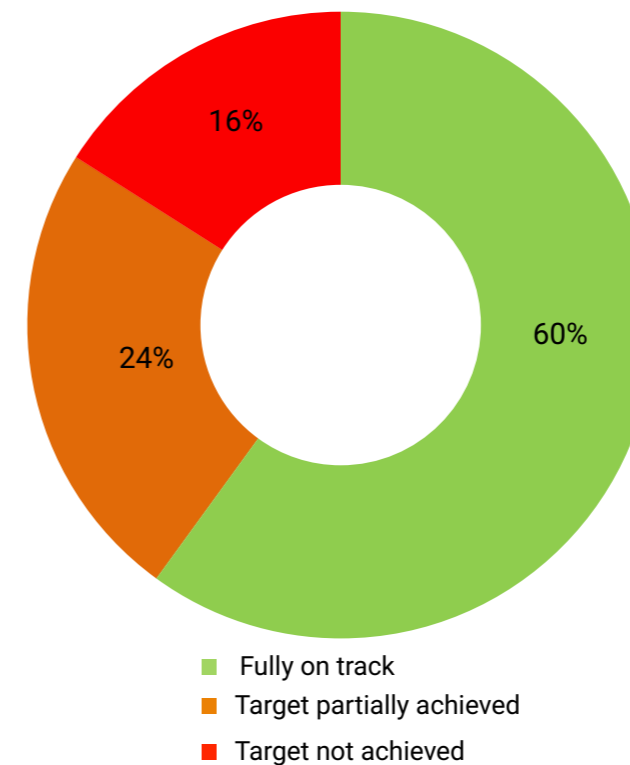
Five years of negotiations and tireless "Speedo diplomacy" from endurance swimmer and UN Environment Patron of the Oceans Lewis Pugh, Antarctica's Ross Sea was finally declared a Marine Protected Area in October. The Ross Sea, known as the "Polar Garden of Eden", is widely considered to be the last great wilderness area on Earth. The 1.57 million square-kilometre region is now the world's largest protected area.

These developments, along with the actions of the UN Environment Assembly and regional ministerial forums, are building a momentum and the foundations that enable the implementation of the *2030 Agenda for Sustainable Development*. There has never been a better time than now to embed environmental sustainability into the way in which economies run. Global trends show a growing recognition, t that environmental sustainability is about the economy: opportunities to invest, to create jobs, to improve peoples' health and well-being, while at the same time maintaining the vitality and full functionality of the Planet's assets and eco-systems, the very natural foundations that support our lives.

PROGRAMMATIC RELEVANCE AND SCALE OF INTERVENTION

This is a moment to reflect on our programmatic relevance, on our ability to meet countries' demands for services, information, solutions; to help them build stronger institutions, better legal instruments, improved investment opportunities; and to continue being a global, knowledgeable and authoritative custodian of the global scientific work and of the "safe negotiating space", to play a much needed global role in an increasingly complex and interconnected world.

Our programme's relevance and performance in 2016 has been critical in supporting our key constituents: countries, businesses and citizens. As of December 2016, we have 60 per cent of our targeted indicators for 2016 fully achieved, while the remaining are partially achieved. This result is based on efforts from previous years including 2016 expenditure across our different funding sources of $511 million, $172 million more than the year's projected budget

- 🟩 Fully on track
- 🟧 Target partially achieved
- 🟥 Target not achieved

of $339 million owing to an income that exceeded the projected budget. However, despite this higher income, there has been a decline in the Environment Fund, which is stressing the foundation from which we leverage a strategic portfolio that aligns with the approved programme of work.

A number of key results were achieved in 2016. We supported more countries to integrate ecosystem-based and other adaptation approaches into national plans, bringing the cumulative total to 21 countries. We brought together first-mover financiers and renewable energy project developers to mitigate risks and share some of the early-stage investment costs. In 2016, the Seed Capital Assistance Facility signed new agreements with key players in the private sector, and now has a total capitalization of US$ 660 million. More countries in 2016 finalized national REDD+ strategies that recognize multiple benefits and the role of private sector, an important step in enabling countries to receive results-based payments, and bringing the total 22 countries.

Over the course of 2016, we also supported 22 countries to reduce the risks of natural disasters, industrial accidents and conflicts. We responded to seven acute environmental emergencies in six countries in 2016, meeting all national requests for assistance.

To help create an *enabling environment* for countries to manage ecosystems in a sustainable way, we help countries take account of ecosystem services, assess water quality and incorporate considerations of the health and productivity of ecosystems into their policy frameworks. By the end of 2016,

11 countries had operational ecosystem accounts in place. Thirteen countries had taken steps to update their water quality frameworks. With our support, ten new countries and one region adopted or even started implementing green economy policies and sustainable consumption and production actions plans in 2016, bringing the total to 49 countries, cities and regions since 2011.

We launched six regional Global Environment Outlooks and the first Global Gender and Environment Outlook at the 2016 UN Environment Assembly. Together these provide not only an assessment of the state of the environment but also a perspective on the importance of the social aspects of the environmental dimension of the 2030 Agenda. The regional assessments are the building blocks for the global assessment, which is on its way to be delivered at the 4th UN Environment Assembly in 2019.

We made significant contributions in 2016 to the UN system's new guidance on country Development Assistance Frameworks. The new guidance, which is informed by the 2030 Agenda, has four principles for integrated programming: leave no one behind; human rights, gender equality and women's empowerment; sustainability and resilience; and accountability. The new guidance is being piloted in different countries in the context of UN Delivering as One approach.

However, the mission is far from being accomplished. While progress towards achieving lasting results across our seven areas of focus—climate change, disasters and conflicts, ecosystem management, environmental governance, chemicals and waste, resource efficiency, and environment under review—has been generally good, a number of challenges remain if we are to contribute significantly to meet countries' abilities to implement the *2030 Agenda for Sustainable Development*. These challenges include reductions in the Environment Fund, that are stressing the very foundation of our business model. This model relies on us using our resources of the Environment Fund to leverage a portfolio that is strategic and aligned to the programme of work approved by Member States. With lower Environment Fund resources, the implementation of the programme of work rests on the priorities of the contributors. We also must bring more programmatic coherence across our range of initiatives to leverage further impact so that we do not have too dispersed a portfolio.

We have to use partnerships to stretch any limited capacities we have internally. This will include engaging better with the private sector, and other game changers, ensuring there is a business case of interest to those players, while also engaging citizens to create a momentum for change. Addressing these challenges is critical to our work on, for instance,

chemicals and waste, where our performance against our targets will need to be strengthened.

We will need to significantly increase our ability to engage the private sector; we shall have to improve the way we inform, engage and involve citizens in our work; and we must now scale up our work in tackling key global issues: sustainable finance, environmental security, climate change, biodiversity, health and pollution.

The scaling up of green finance is critical in this regard. World leaders meeting at the G20 Summit in Hangzhou, China in September 2016 recognized the importance of scaling up green finance practices. They welcomed options put forward by the G20 Green Finance Study Group, whose secretariat is hosted by UN Environment, which shows what practical steps can be taken to improve policies and market capacity, and support the development of green bond markets.

We need to be able to scale up support to countries to enable them to review their regulatory and policy frameworks and bring about a policy transformation that creates the rules and conditions for such investment. The United Nations, with 19 banks and investors worldwide (totaling $6.6 trillion in assets), launched a global framework aimed at channeling the money they manage towards clean, low carbon and inclusive projects. The framework – The Principles for Positive Impact Finance – is a first of its kind, setting criteria for investments to be considered sustainable. It spans different business lines, including retail and wholesale lending, corporate and investment lending and asset management. The principles provide guidance for financiers and investors to analyse, monitor and disclose the social, environmental and economic impacts of the financial products and services they deliver. We need more such game changers to create the kind of transformative change necessary to achieve the sustainable development goals.

In a related context, in Indonesia, the Tropical Landscape Finance Facility was established, with UN Environment, the World Agroforestry Centre, BNP Paribas and ADM Capital. The Facility will provide loans and grants to commercial projects, with significant positive social and environmental impact. The target is to capitalize the facility at a level of $1 billion, mostly in private sector financing.

Such kinds of innovation will enable the transformative change member states are looking for and will provide the foundations to evolve our own delivery mechanisms through highly focused, well directed strategic partnerships. The 10 Year Framework of Programmes on Sustainable Consumption and Production with its programmes on building s and construction, food systems, tourism, consumer information, public procurement

and sustainable lifestyles, and the Finance Initiative, both hosted by UN Environment, the Climate Technology Centre and Network, that we jointly host with the UN Industrial and Development Organization, the 18 regional seas conventions and programmes that we support, and the UN REDD+ partnership are just some of the vehicles that can be used for such transformative change.

As the custodian agency for 26 of the Sustainable Development Goals indicators (and already reporting to the UN Secretary-General on six of these indicators in 2016), we are well placed to ensure that countries are well-equipped and able to track their progress. With some 48 UN agencies engaging with us on a UN system-wide framework on environmental strategies and aligning their strategies to the environmental dimension of the 2030 Agenda for Sustainable Development, it will also enable us to work with the rest of the UN system to leverage even further change.

We are also an accredited agency to the Green Climate Fund, besides its consolidated role as a key partner of the European Union's Programme for the Environment and Sustainable Management of Natural Resources, and an Implementing Agency for both the Multilateral Fund of the Montreal Protocol and the Global Environment Facility: there is a potential for far greater integration of these global funding instruments with our strategic priorities; for a more organized, strategic "blending" of these funding sources in achieving lasting results and contributions to the implementation of the sustainable development goals; and for launching integrated activities and initiatives at a far greater scale.
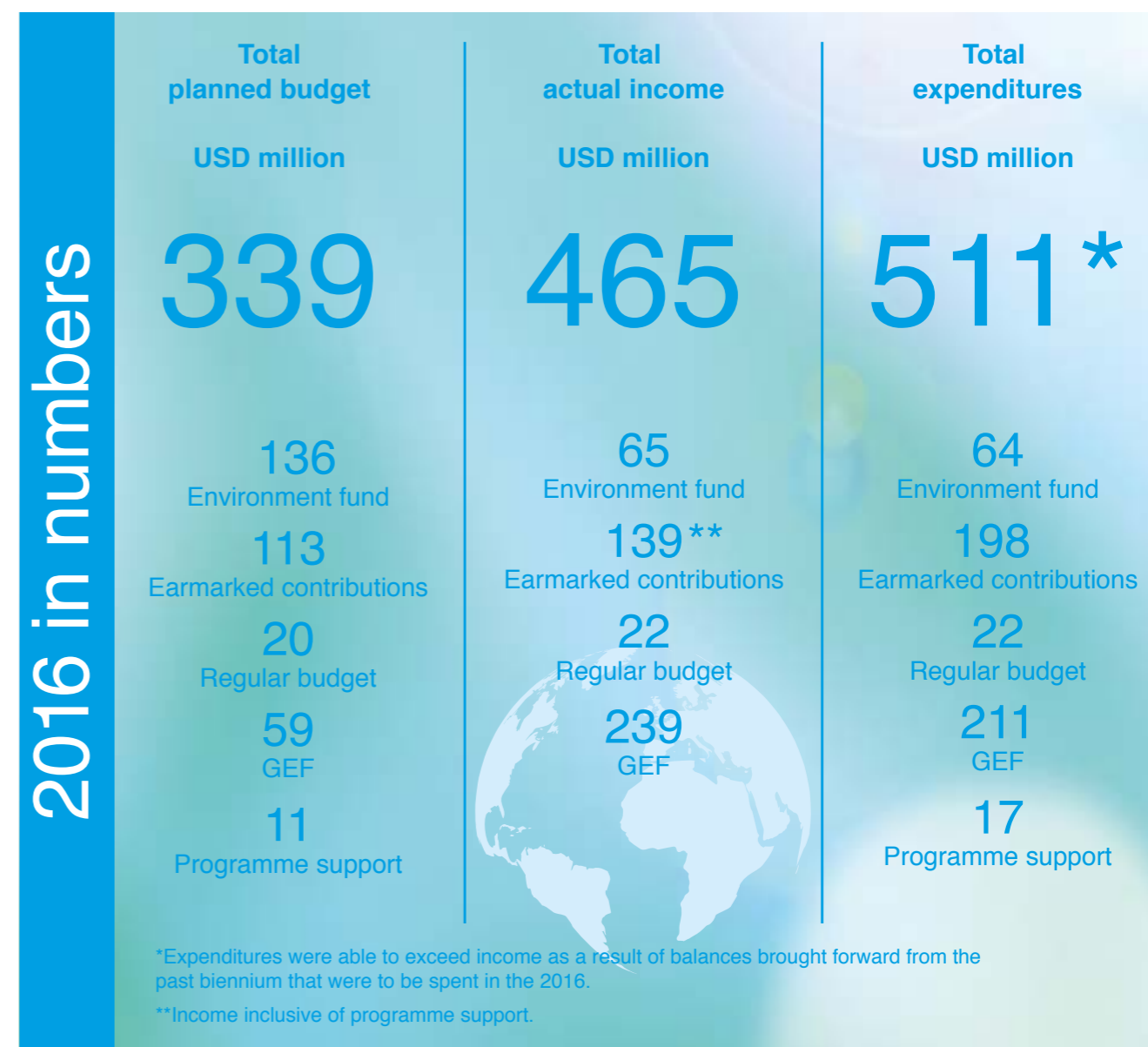
On the biodiversity front, we have been extremely engaged as the host of key biodiversity related conventions but also through the activities implemented under the ecosystems management programme in the organization. As the negative effects of human pressure on wildlife and biodiversity rapidly increase in magnitude, global responses remain unfortunately fragmented, uncoordinated and mainly rely on "specialist" inputs and initiatives promoted by individual countries, conservation organizations, institutions, international conventions, and multilateral environmental agreements. Poaching and trafficking of wildlife are rapidly increasing, and in addition wildlife populations worldwide are significantly threatened by increasing loss of habitat as a result of rapid human population growth and agricultural expansions. Even if the fight against the current high levels of poaching were successful, habitat and range loss will continue to threaten the future of wild species across the world and exacerbate the level of human-wildlife conflicts. The currently fragmented nature of responses to biodiversity and wildlife losses reveals the difficulty decision-makers face in articulating a *mechanism – or series of coordinated mechanisms -*

to successfully reverse the ongoing decline. This, however, is a significant opportunity to scale up our work on biodiversity and wildlife and address this global challenge in a more coordinated, politically impacting fashion.

We also need to create the "enabling conditions" to scale up the results we are currently achieving on other fronts. The global financial system, for instance, can be a powerful enabler for a greener and sustainable future. Green finance is critical in this regard. Realizing the sustainable development goals will require a major rechanneling of financial flows – both public and private as well as changes to the global financial system. Similarly, we need to demonstrate how cities can be low-carbon,

resource-efficient and resilient, while also offering opportunities for new jobs and investments and other social and economic benefits.

We also need to create a significant movement globally in which society sees the reduction of pollution as critical to health and in our oceans, critical to livelihoods and fisheries. In turn, this movement needs to create a political momentum for change. We need to shift public opinion on the criticality of ecosystem health to economic growth and well-being. Together with a greater government, citizen and business movement, we can help countries tackle root causes of critical problems.

2016 in numbers

Total planned budget	Total actual income	Total expenditures
USD million	USD million	USD million
339	**465**	**511***
136 Environment fund	65 Environment fund	64 Environment fund
113 Earmarked contributions	139** Earmarked contributions	198 Earmarked contributions
20 Regular budget	22 Regular budget	22 Regular budget
59 GEF	239 GEF	211 GEF
11 Programme support		17 Programme support

*Expenditures were able to exceed income as a result of balances brought forward from the past biennium that were to be spent in the 2016.

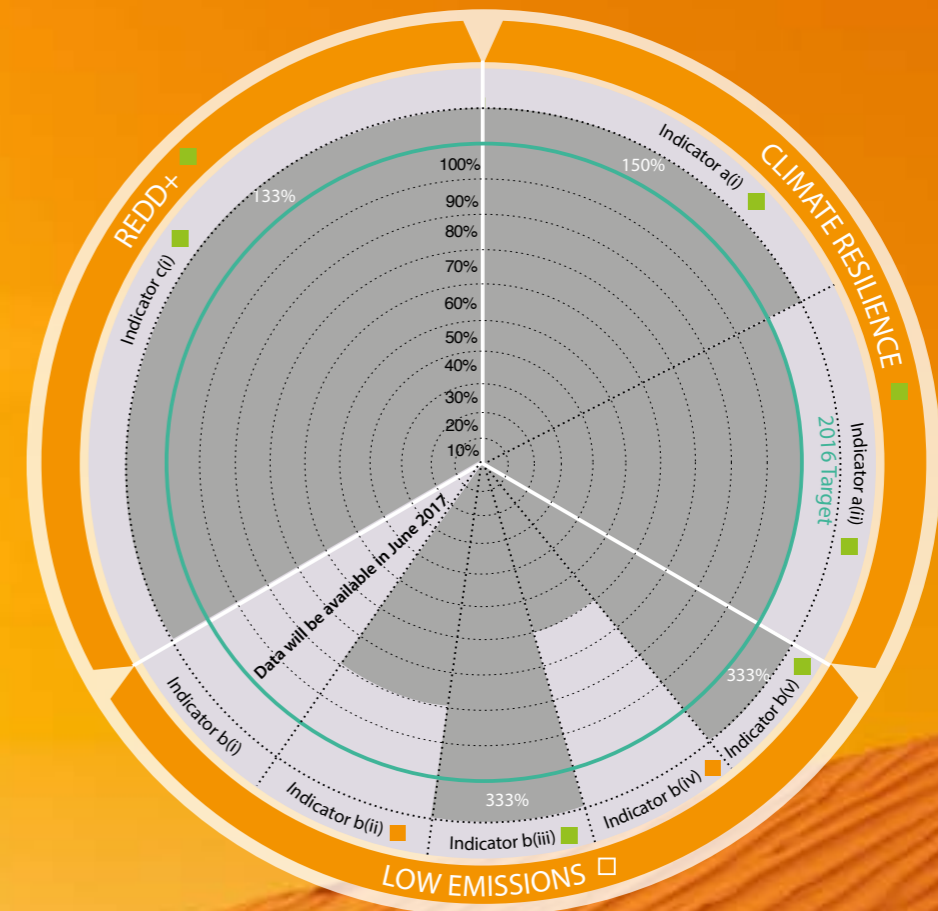**Income inclusive of programme support.

CLIMATE CHANGE

In our work on climate change, we focus on achieving results in three areas:

- **Climate resilience**, where we support countries in using ecosystem-based and other approaches to adapt and build resilience to climate change;

- **Low-emission growth**, where we support countries to adopt energy efficiency measures, access clean energy finance, and reduce their emissions of greenhouse gases and other pollutants by transitioning to renewable sources of energy.

- **REDD+**, where we enable countries to capitalize on investment opportunities that reduce greenhouse emissions from deforestation and forest degradation with adequate social and environmental safeguards.

In 2016, we met our targets for climate change with the exception of 2 targets, which have progressed solidly but not to the extent we had targeted.

- 🟩 **Fully on track**
- 🟥 **Target not achieved (below 60%)**
- 🟧 **Target partially achieved (60% and above)**
- ── **December 2016 target**

INDICATORS OF ACHIEVEMENT

CLIMATE RESILIENCE

(a) i)   Increase in the number of countries implementing ecosystem-based and other supporting adaptation approaches as a result of UNEP support

(a) ii)   Increase in number of countries that have progressed in integrating ecosystem based and supporting adaptation approaches in sectoral and national development strategies with the assistance of UNEP

LOW EMISSION GROWTH

(b) i)   Increased percentage of renewable energy in the global energy mix (including breakdown by countries assisted by UNEP)

b) ii)   Increased percentage of countries meeting energy efficiency standards in specific sectors, with support from UNEP

b) iii)   Number of new renewable energy or energy efficiency programmes and projects being implemented

b) iv)   Increased number of policies implemented and actions taken by countries to decrease greenhouse gas emissions and other climate pollutants as a result of UNEP-led public-private partnership initiatives

b) (v)   Increased climate finance invested for clean energy as a result of UNEP engagement

REDD+

(c)   Increased number and percentage of countries that have progressed through both of the following steps in the development and implementation of REDD-plus strategies: step (i): national REDD-plus readiness plan approved; step (ii): national or subnational climate change strategies recognize investments based on REDD-plus as a means for transformation

CLIMATE RESILIENCE: EQUIPPING MORE COUNTRIES TO ADAPT TO CLIMATE CHANGE

We need to ensure that more countries are equipped to adapt to climate change. The *2016 Adaptation Finance Gap Report*[1] emphasizes that we do not just need more financing; we need more funds that are well invested. Our strategy is to ensure countries create the right enabling environment to do so. Ultimately, this means countries must have the technical and institutional capacity to adapt to climate change with healthy, well-functioning ecosystems as part of their adaptation strategies. By December 2015, we had supported 42 countries to create an enabling environment for and implement ecosystem-based and other adaptation approaches.[2] Our target for 2016 was to enable two more countries to achieve the same result. During 2016, the organization enabled three more countries (Albania, Angola and Antigua & Barbuda) to access adaptation finance for implementing ecosystem-based adaptation. This brings the cumulative number to **45 countries implementing ecosystem-based adaptation measures, which means we are on track to meeting the targets set out in the programme of work.**

To help ensure that ecosystem-based approaches demonstrated in one site are sustained and replicated elsewhere, we also support countries to integrate this thinking into national-level planning. As of December 2015, 19 countries had progressed with integrating ecosystem-based and other adaptation approaches into national plans. In 2016, **we enabled two more countries (Lesotho and Uganda) to integrate ecosystem-based and other adaptation approaches into national plans,** bringing the cumulative total to 21 countries. This means that our 2016 target has been met.

45 countries implementing ecosystem based adaptation—20 have integrated adaptation in national plans

Can **private sector investment leapfrog** adaptation efforts nationally?

Countries are increasingly recognizing ecosystem-based adaptation as an effective approach, with some governments scaling up their ongoing ecosystem-based adaptation work and incorporating ecosystems in their Nationally Determined Contributions[3] as part of their vision for adaptation. In 2016, three countries (The Gambia, Nepal and Rwanda) successfully scaled up their ecosystem-based adaptation work with additional resources, including from the Green Climate Fund (The Gambia and Peru[4]).

In 2014-2015, we supported 10 countries[5] with their **accreditation process to the Adaptation Fund**, of which four countries (Costa Rica, Mexico, Namibia and Peru) became accredited and can now access finance directly. In 2016, Cook Island's Ministry of Finance and Economic Management became accredited and Bhutan's Trust Fund for Conservation of Nature was able to submit its application for accreditation to the Adaptation Fund. We provided readiness support in accessing financing from the Green Climate Fund to 16 countries,[6] with Kenya's National Environmental Management Agency being accredited in 2016. Other national institutions from Ghana, El Salvador, Nepal and Kenya are in the process of becoming accredited.
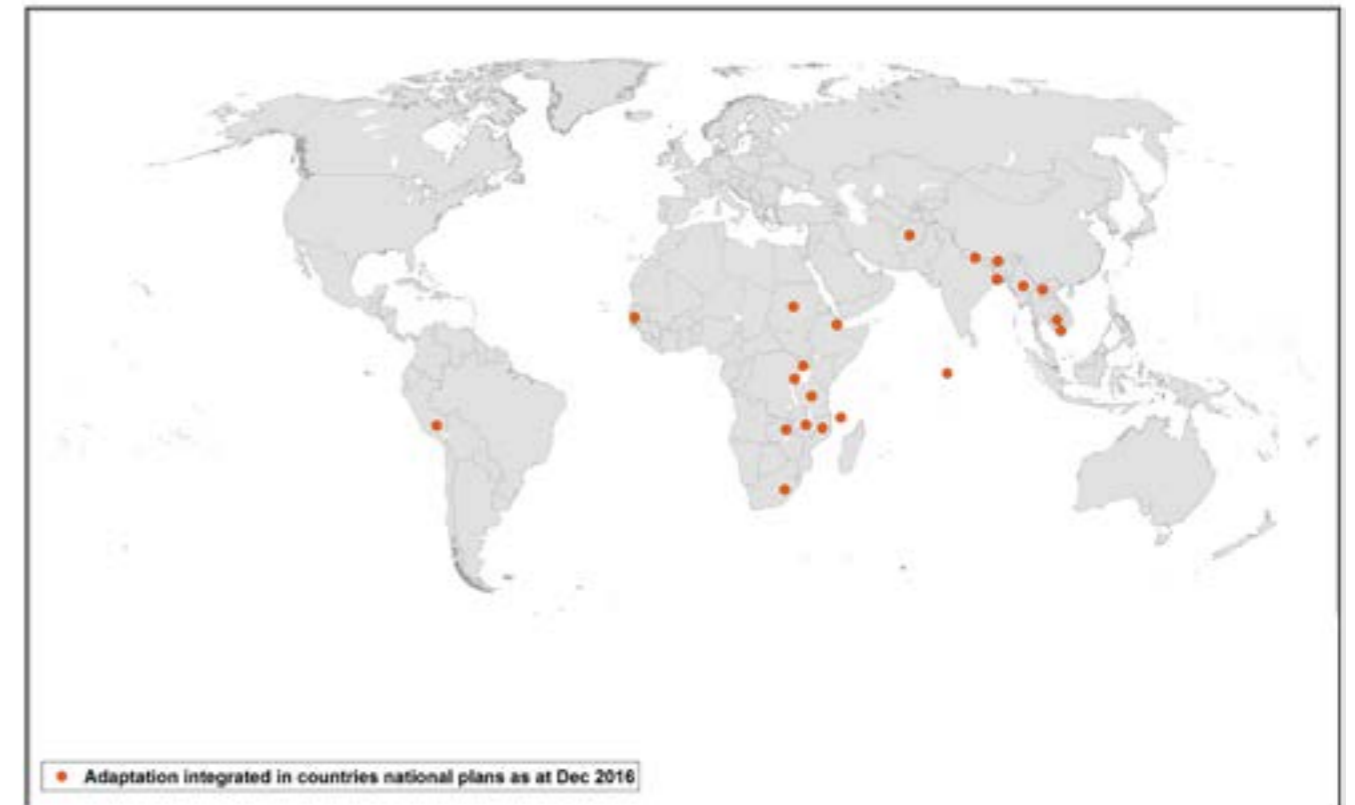
In addition, we helped countries increase the **availability of microfinance** for ecosystem-based adaptation. During 2014-2015, five microfinance institutions in Colombia and Peru delivered 1,300 microfinance pilots that were focused on ecosystem-based adaptation. These ranged from finance for drip-irrigation to sustainable forest management. These pilots will inform larger-scale work of the partner institutions, which have committed to provide farmers with loans worth US$19 million over the next five years to reduce their vulnerability to climate change. In 2016, 000 of these loans were given out, which translates into US$9 million of private funds benefitting 7,000 farmers.

While we are meeting our targets on climate change adaptation, if countries are to successfully implement the Paris Agreement and National Adaptation Plans, we need to scale up and catalyse adaptation at a much broader scale. Countries will need to have access to adaptation finance, and partnerships will need to be strengthened and broadened.

The *2016 Adaptation Finance Gap Report* states

Countries implementing ecosystem-based adaptation

Adaptation integrated in countries national plans as at Dec 2016

that private finance in the form of debt, equity and insurance products could help scale up financing. To catalyse widespread action on adaptation, governments will need to help identify major players from the private sector who are interested in investment opportunities brought about by ecosystem-based adaptation. The UN's Climate Resilience Initiative (known as A2R - Absorb, Anticipate and Reshape) presents an important opportunity to engage the private sector. The initiative, which was launched in 2016, is a voluntary international partnership that brings together national governments, UN agencies, the private sector and civil society. UN Environment is a member of the A2R Leadership Group.

LOW-EMISSION GROWTH: PROMOTING RENEWABLES AND IMPROVING ENERGY EFFICIENCY

Complementing our work on adaptation to climate change is our work to support low-emission growth. This work focuses on increasing the use of renewables and improving energy efficiency by providing guidance on policy, technology and access to finance.

GLOBAL TRENDS IN RENEWABLE ENERGY INVESTMENT[7]

We bring together first-mover financiers and renewable energy project developers to mitigate risks and share some of the early-stage investment costs. In 2016, our Seed Capital Assistance Facility (SCAF), signed new cooperating partner agreements with Asia Capital Partners (ACP), GreenWish Capital, The Blue Circle and Zoscales, bringing the number of cooperating partner funds to seven.[8] The Facility now has a **total capitalization of US$657 million, and** US$20 million of seed capital invested in eight renewable energy projects in Cambodia, Indonesia, Kenya, Nigeria, Rwanda and Viet Nam. In addition, we mobilized US$40 million worth of investments through the Mediterranean Investment Facility, supported by the Italian Ministry of Environment. We aim to increase the amount of climate finance invested in clean energy. In summary, in 2016, we mobilized US$60 million, exceeding the target by US$10 million.

---

1 http://web.unep.org/adaptationgapreport/sites/unep.org.adaptationgapreport/files/documents/agr2016.pdf

2 Twenty did so in 2014-2015; the others were before that biennium.

3 Nationally Determined Contributions are national plans which outline what post-2020 climate actions counties intend to undertake under the Paris Climate Agreement.

4 http://www4.unfccc.int/ndcregistry/PublishedDocuments/Peru%20First/iNDC%20Per%C3%BA%20english.pdf

5 Bhutan, Comoros, Madagascar, Maldives, Palau, Sri Lanka, South Sudan, Sudan, Tanzania and Tuvalu.

6 Albania*, Benin*, Comoros*, Colombia, El Salvador, Fiji, Ghana, Kenya, Montenegro, Nepal, Philippines, Serbia*, Uzbekistan and Zimbabwe*. (Countries marked with (*) are funded by Green Climate Fund readiness funds and the rest from funds provided by Germany's Environment Ministry.
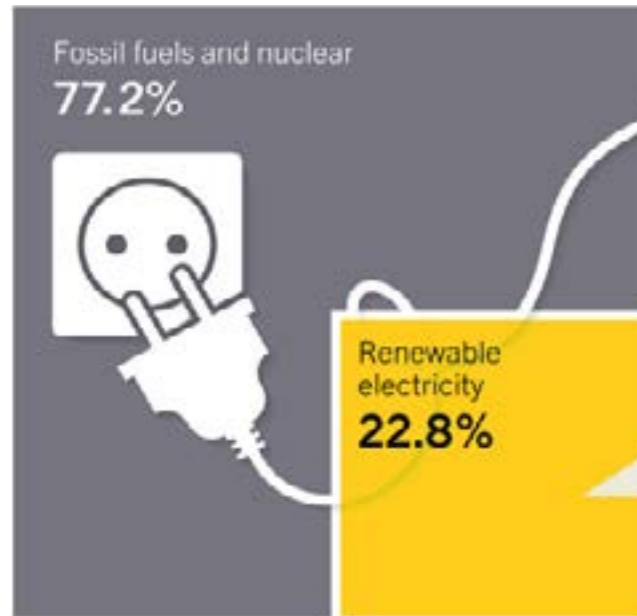
7 Available at http://apps.unep.org/publications/pmtdocuments/-Global_trends_in_renewable_energy_investment_2015-201515028nefvisual8-mediumres.pdf.pdf

Published by Frankfurt School, a UN Environment Collaborating Centre. Data for 2016 yet to be published.
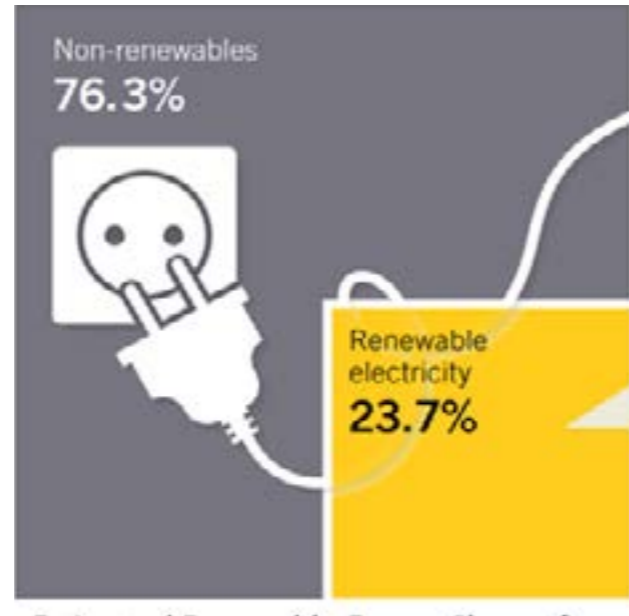
8 Asia Climate Partners GreenWish Capital, The Blue Circle, CIIE Initiatives, DI Frontier Fund, JCM Capital, Zoscales.

Fossil fuels and nuclear
77.2%

Renewable electricity
22.8%

Estimated Renewable Energy Share of Global Electricity Production, End–2014 (REN 21 report , 2015)

Non-renewables
76.3%

Renewable electricity
23.7%

Estimated Renewable Energy Share of Global Electricity Production, End–2015 (REN21 report, 2016)

Countries that have taken action on energy efficiency

Countries that have taken action on energy efficiency as at Dec 2016

- National efficient lighting strategies
- Efficient appliances and equipment strategies
- District energy policy investment assessments
- Cleaner vehicle and fuel efficient policies

We also support the rapid uptake of renewables. In collaboration with the UN Development Programme, we helped five countries (Albania, Chile, India, Lebanon and Mexico) transform the market for solar water heating. We enabled the installation of 3 million square meters of solar water heating panels in the five countries, while removing barriers to the widespread uptake of solar water heaters. A key challenge is to catalyse this kind of market transformation at a much broader scale. Member States' leadership on this issue could help **create new jobs and drive investment** in an area proven to be financially and technically feasible.

With funding from the Global Environment Facility and support from UN Environment, six East African countries (Eritrea, Ethiopia, Kenya, Rwanda, Tanzania and Uganda) are exploring their potential for

geothermal energy. An additional seven countries (Burundi, Comoros, Djibouti, Democratic Republic of Congo, Malawi, Mozambique, and Zambia) are getting support in the form of investments and assistance with removing barriers to geothermal energy. In 2016, two surface exploration projects in Ngozi (Tanzania) and Kibiro (Uganda) were successfully completed.

Our *Emission Gap Report* for 2016[9] highlights the significant potential of energy efficiency in achieving the long-term objective of the Paris Agreement, to limit global warming to well below 2°C. Our portfolio on low-emission growth includes work on **energy efficiency**, including lighting, appliances, transport, and district energy. Through this work, which includes multi-stakeholder partnerships, we are working toward Sustainable Development Goal target 7.3, to double

the global rate of improvement in energy efficiency by 2030. We contribute to the energy efficiency goal of the Sustainable Energy for All Initiative through its global energy efficiency accelerator platform. On this initiative, we co-lead work on **energy-efficient appliances and equipment, transport and district energy.**

Our target for 2016 was to support five new countries to meet energy-efficiency standards in specific sectors. We are close to meeting this target by supporting pilot cities in Bosnia and Herzegovina and Serbia to develop district energy policy-investment roadmaps.[10] This work has unlocked significant investment from development banks operating in the region. In 2016, with our support, Russia implemented 10 ppm diesel fuel standards and Philippines implemented Euro 4/IV vehicle emission standards. Progress is underway in many countries: Peru has developed National Efficient Lighting Strategy (NELS) and is in the process of adopting it. Similar strategies are under development in Marrakech, Chile, Bolivia and Pakistan. In India, 5 pilot cities[11] have district energy policy-investment roadmaps under development. Nationally Appropriate Mitigation Actions (NAMAs) for the building sector are under development in four countries[12],

Our target for 2016 was to support the implementation of seven initiatives on the transfer of advanced technologies in renewable energy or energy efficiency. In 2016, we assisted 22 countries in the process of transferring advanced technologies; eight[13] of those countries were assisted with technologies related to renewable energy and energy efficiency, exceeding the target for 2016.

Our target for 2016 was to have ten policies and actions to reduce greenhouse gas emissions and other climate pollutants. In 2016, we supported an agreement on cleaner fuels in 23 regions of Peru and Paraguay and waste management actions in São Paolo in Brazil, Quezon city in Philippines, and Rayong and Bangkok in Thailand. This comes to a total of five policies or actions implemented; related work is progressing well in over 20 countries.

By engaging with major partnership initiatives, we can broaden our reach and expand our impact. The key challenge for these initiatives is to increase the space and capability of partners and countries to translate technical assistance into bankable projects.

More countries adopt actions to improve energy efficiency nationally

Sector	2016 Results
Lighting	38 countries now have national efficient lighting strategies, although no new ones completed such strategies in 2016.
District energy	2[1] countries have developed district energy policy investment roadmaps and feasibility studies leading to loan investments.
Appliances and Equipment	12 new countries[2] have joined the United for Efficiency (U4E) initiative, which aims to transform markets for the deployment of energy efficient appliances, bringing the total to 25.
Transport	In 2016, the Philippines and Russia adopted fuel efficiency policies, bringing the total number of countries with cleaner vehicle and fuel efficiency policies to 12.

9   Available at https://uneplive.unep.org/media/docs/theme/13/ Emissions_Gap_Report_2016.pdf

10   The pilot cities are Belgrade in Serbia and Banja Luka in Bosnia and Herzegovina.
11   Coimbatore, Pune, Rajkot, Bhopal and Thane
12   Indonesia, The Philippines, Thailand and Viet Nam

13   Albania, Algeria, Bhutan, Bosnia and Herzegovina, Cote d'Ivoire, Iran, Senegal and Uganda.

Major partnerships are leveraging action on Climate Change

The 1 Gigaton Coalition	Launched at the climate conference in Lima in 2014, this initiative enables **countries to measure and report emission savings resulting from renewable energy and energy efficiency**. To date, the Coalition comprises 25 countries and 40 organizations. The Coalition's 2016 report found that existing renewable energy projects in developing countries will contribute 0.4Gt of CO2 emissions savings per year by 2020.
Portfolio Decarbonization Coalition	Launched at the UN Secretary-General's Climate Summit in 2014, this initiative encourages **institutional investors to decarbonize their portfolios. The target is to decarbonize US$100 billion worth of investment portfolios by 2020**. The coalition has grown from two members in 2014 to 27[3] in 2016, with commitments to decarbonize over US$600 billion in assets under management.[4] To date, all Coalition members have taken substantive action to decarbonize their investment portfolios and 17 members have now adopted formal decarbonization-related objectives and targets.
The Climate and Clean Air Coalition	This multi-stakeholder partnership has **grown to 112 partners, including 51 governments, who have made pledges worth US$58 million.** Eleven high-impact initiatives are being implemented to catalyse and scale-up action to reduce black carbon and methane and to avoid hydrofluorocarbon in agriculture, brick production, cooking, heating, diesel vehicles, oil and gas production, and municipal solid waste. The coalition's activities are relevant to 12 of the 17 Sustainable Development Goals. Coalition partners led a group calling for an ambitious amendment to the Montreal Protocol, which was achieved in 2016. Eight partner countries[5] pledged to target short-lived climate pollutants in their nationally determined contributions.
The Climate Technology Centre and Network	The Centre, which we manage in partnership **with the UN Industrial and Development Organization (UNIDO),** is the operational arm of the Climate Change convention's technology mechanism. It provides **technical assistance to countries on their climate technology challenges**. As of December 2016, 22 countries were taking advantage of the technology assistance.
National Determined Contributions (NDC) Partnership	The NDC Partnership is a global initiative that was launched in November 2016 at the climate conference in Marrakech. It aims to help countries achieve their national climate commitments and ensure that financial and technical assistance is delivered as efficiently as possible. We are a partner of this initiative, which is hosted by the World Resource Institute. Our role is to support in-country implementation as well as technical assistance. **We supported 35 countries[6] to develop their INDCs before the Paris Climate Conference and we are currently supporting countries to develop implementation readiness plans** for National Determined Contributions, including national climate finance roadmaps.

REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION AND HELPING COUNTRIES SEIZE INVESTMENT OPPORTUNITIES

The Paris Climate Agreement recognizes the central role of forests in achieving the goal of keeping temperatures well below 2°C through mitigation options that aim to reduce emissions from deforestation and forest degradation. To date, 118 countries have included forestry and land use measures as part of their pledges in their Nationally Determined Contributions.[14] This represents 162 million hectares of restored, reforested and afforested land, which is in line with the Bonn Challenge and the New York Declaration on Forests.

The UN-REDD Programme, jointly implemented by UN Environment, the Food and Agricultural Organization of the UN and the UN Development Programme, is supporting 64 countries to become "REDD+ ready", or prepared to welcome relevant investment opportunities. Twenty-five of these countries had national programmes. In 2016, five countries (Chile, Congo, Ecuador, Peru and Sri Lanka) finalized and/or adopted national REDD+

Countries that have adopted REDD+ strategies

National REDD+ strategies as at Dec 2016

strategies that recognize multiple benefits and/or the role of private sector. **This is in line with the UN Environment target of three additional countries having attained this goal by December 2016.** This progress marks an important step in complying with the Climate Change Convention's Warsaw Framework requirements for allowing countries to receive results-based payments. Since the start of the REDD+ programme, a total **of 22 countries[15] have been developing, adopting or implementing national REDD+ strategies.**

To complement the support to countries to develop and implement national REDD+ strategies, new innovative partnerships for transformative land management have been established. In Indonesia,[16] the Tropical Landscape Finance Facility was established, with UN Environment as Secretariat of the Facility. The World Agroforestry Centre, BNP Paribas and ADM Capital are key partners in the Facility, which will include both a loan and grant window. The Facility will provide long-dated and concessional debt, securing refinancing from a capital finance programme via long-dated Tropical Landscapes Bonds. The Facility seeks to provide the world's first-ever large-scale finance programme for landscape protection and rural livelihoods; its

motto "leveraging private finance for public good". The Facility aims to lend in excess of US$1 billion to commercial projects, with significant positive social and environmental impact in Indonesia.

In addition, the Norwegian Government – in partnership with tropical forest countries, the Sustainable Trade Initiative (IDH), UN Environment, the Global Environment Facility[17], and supported by major food companies and international environmental NGOs – is setting up The Tropical Forest and Agriculture Fund. The fund will seek to trigger private investment in deforestation-free agriculture in countries that are working to reduce their deforestation and forest and peat degradation. The fund aims to protect over 5 million hectares of forests and peatlands through projects secured by 2020.

---

14   Nationally Determined Contributions are national plans that outline what post-2020 climate actions counties intend to undertake under the Paris Climate Agreement.

15   Argentina, Bangladesh, Bhutan, Bolivia, Cambodia, Chile, Colombia, Costa Rica, Côte d'Ivoire, Democratic Republic of Congo, Ecuador, Kenya, Mexico, Mongolia, Nigeria, Panama, Paraguay, Peru, Sri Lanka, Uganda, Viet Nam and Zambia.
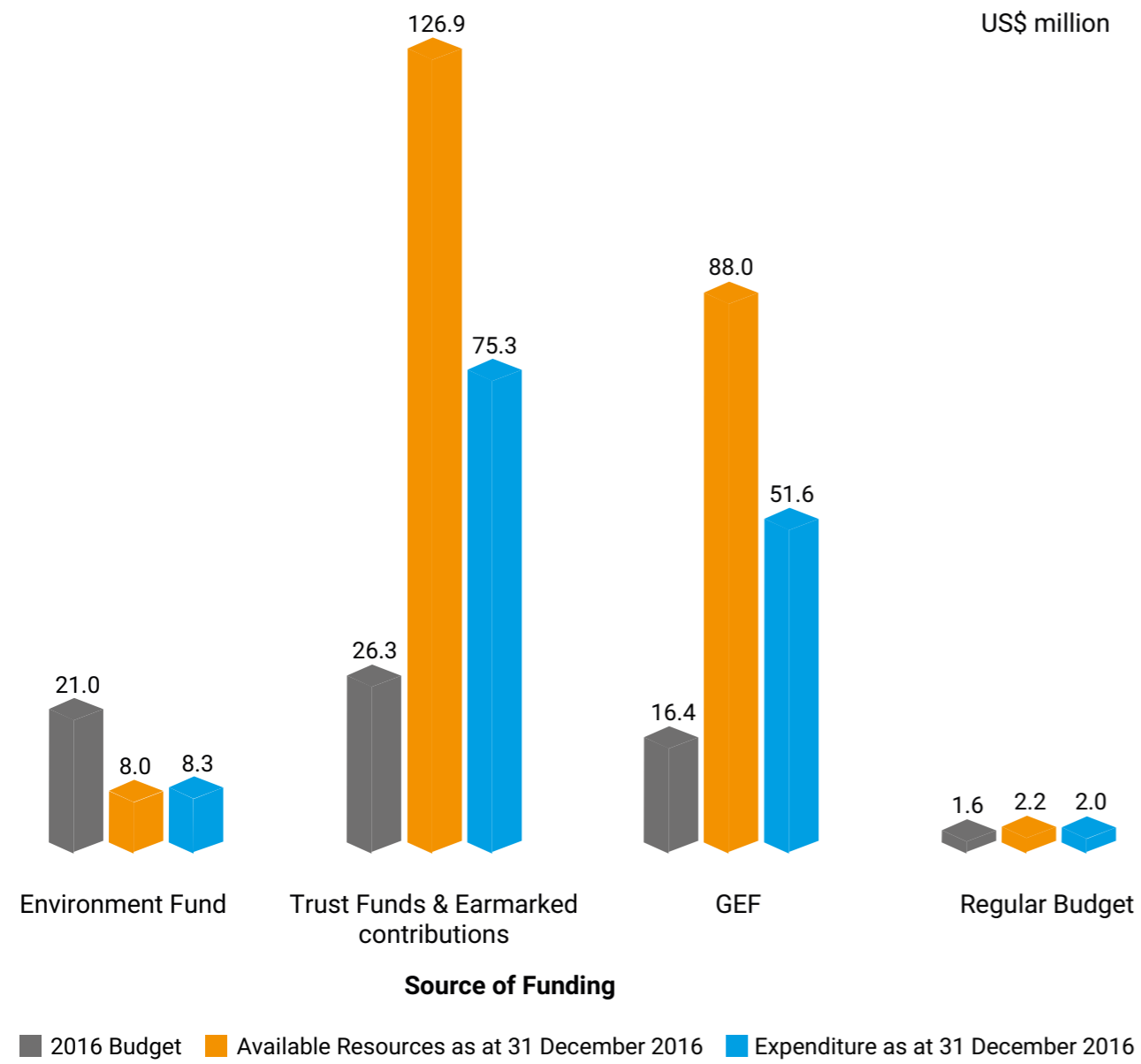
16   Indonesia has a funding gap in excess of US$ 20 billion for projects that address climate change mitigation and adaptation through, inter alia, inclusive access to energy, improved smallholder productivity, rural livelihoods and poverty alleviation.

17   The Global Environment Facility has provided a US$2 million reimbursable grant.

US$ million

126.9

88.0

75.3

51.6

26.3

21.0

16.4

8.0   8.3

1.6   2.2   2.0

Environment Fund

Trust Funds & Earmarked
contributions

GEF

Regular Budget

Source of Funding

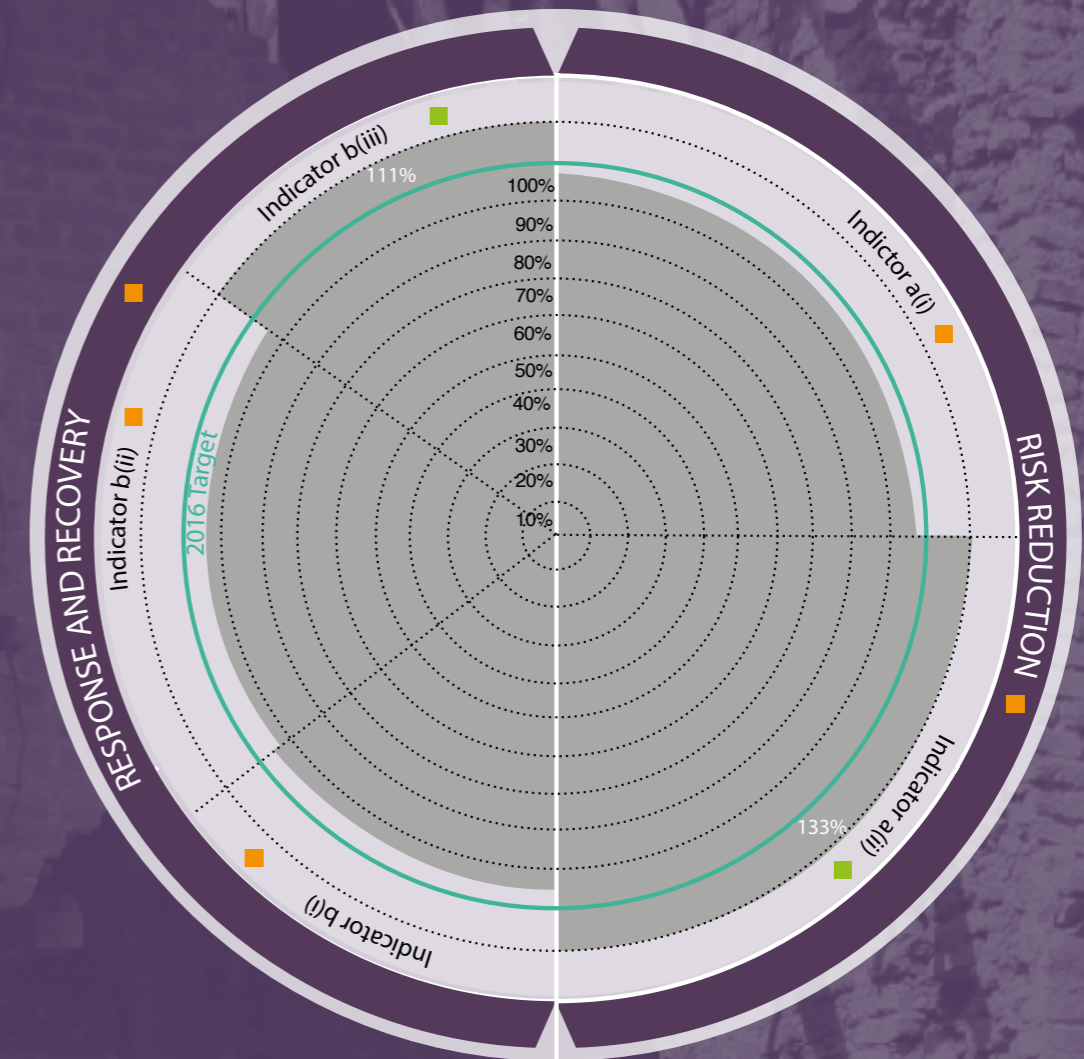■ 2016 Budget   ■ Available Resources as at 31 December 2016   ■ Expenditure as at 31 December 2016

DISASTERS AND CONFLICTS

In our work on disasters and conflicts, we focus on achieving results in two areas:

- **Risk reduction,** where we improve the capacity of countries to use environmental management to prevent and reduce the risks of natural hazards, industrial disasters and conflict.

- **Response and recovery**, where we support countries in the aftermath of a disaster or conflict to identify and address environmental risks that could have serious social and economic impacts.

We exceeded two of our targets: responding to requests for support to environmental emergencies and influencing the UN system to integrate environmental issues in risk reduction policies, training and programmes. However, we were slightly less effective than anticipated in terms of influencing follow-on reconstruction plans and supporting post-crisis environmental governance capacity.

■ **Fully on track**   ■ **Target partially achieved (60% and above)**

■ **Target not achieved (below 60%)**   — **December 2016 target**

INDICATORS OF ACHIEVEMENT

RISK REDUCTION

a) i)   Percentage of countries vulnerable to natural and man-made disasters that progress at least one step in four of six categories in the country capacity framework for natural resource and environmental management, with the assistance of UNEP

a) ii)   Increased number of United Nations policies, programmes and training courses on risk reduction that integrate best practices in sustainable natural resource management based on UNEP reports and inputs

RESPONSE AND RECOVERY

(b) (i)   The capacity of countries to use natural resource and environmental management to support sustainable recovery from natural and man-made disasters is improved

(b) (ii) Increased percentage of national recovery plans that prioritize environment and natural resource management needs based on UNEP assistance

(b) (iii) Percentage of country requests for emergency response met by UNEP

RISK REDUCTION

Over the course of 2016, **we supported 22 countries to reduce the risks of natural disasters, industrial accidents and conflicts.**[1]

At the global level, one of the programme's indicators of success is the extent to which it can integrate ecosystem-based solutions for disaster risk reduction (DRR) and peacebuilding into the wider UN's guidelines, policies and programmes. As in previous years, we exceeded our target in 2016.

RESPONSE AND RECOVERY

We responded to crises and supported recovery in 19 countries[2] in 2016. Our work involves **responding to acute environmental emergencies** as part of humanitarian response teams. It also includes **conducting post-crisis assessments** to assess more comprehensively the environmental damage and recovery needs, and **providing guidance to those involved in recovery.**

More countries reduce their risks to disasters with un environment support in 2016

Country	Result
Belarus	Environmental risks in the exclusion zone along the Ukrainian and Belarusian borders were identified; flood risks in the Yaselda river basin were assessed.
Ethiopia	Emergency preparedness was improved through regional training of trainers in the Awareness and Preparedness for Emergencies at Local Level (APELL) methodology.
Kazakhstan	Capacity was built on environmental emergency risk in disaster risk management, in collaboration with the Office for the Coordination of Humanitarian Affairs.
The Philippines	Support was provided for the government's first national workshop on linking wetlands and eco-Disaster Risk Reduction.

Building resilience and promoting sustainable recovery

- Countries with response and recovery activities (2014-2016)
- Countries with risk reduction activities (2014-2016)
- Countries with post-crisis, long-term recovery support (2014-2016)
- UN environment support

Increasing policy changes in 2016 promote crisis reduction

Who we influenced	What we influenced	What we did	Why it's important
Countries and international organisations in the Extractive Industry Transparency Initiative (EITI)	The EITI's open data standards	UN Environment, which is collaborating with EITI and the World Bank to improve environmental transparency, provided detailed inputs on the content of the new open data policy, drawing in particular on experience from fragile states.	The EITI is one of the primary mechanisms for promoting public awareness about how countries manage their oil, gas and mineral resources. Originally focusing on revenue payments the EITI's expansion into social and environmental issues offers a powerful avenue to improve environmental management in the extractive sector, particularly in fragile states.
Member states, 13 members within the UN system	The A2R initiative on climate resilience	UN Environment has been closely involved in the development of the Adapt, Absorb and Reshape initiative on climate resilience and provides A2R with shared Secretariat (with the Food and Agriculture Organization)	This initiative was launched at the Paris Conference of the Parties in 2015 but began operating with its Leadership group in 2016. The new initiative will strengthen the ability of countries to anticipate hazards, absorb shocks, and reshape development to reduce climate risks.
The Association of South East Asian Nations and UN partners	The UN-ASEAN Joint Strategic Plan of Action for Disaster Management 2016-2020 (JSPADM)	UN Environment involvement ensured that he following specific topics have been included in the JSPADM: incorporation of environmental drivers of risk, integration of climate risks into disaster risk management strategies, green recovery training and guidelines, training on APELL and FEAT, sharing of best practices on ECO-DRR .	This strategy governs disaster risk management in the ASEAN region up to 2020 and it now has multiple links to environmental issues. In particular it helsp to mainstream ecosystem approaches to disaster risk reduction and climate change adaptation into ASEAN disaster risk management strategies.
Basel Rotterdam and Stockholm Convention focal points and emergency managers	Best practice training for preventing, preparing and responding to chemical emergencies	In October 2016, the JEU and Basel, Stockholm and Rotterdam (BRS) Conventions Secretariat renewed their existing interface agreement, signed in 2011, between JEU and the Basel Convention. The agreement also covers preparedness and forms the base of joint training activities.	The training aims to raise awareness of the emergency assistance available to countries in case of an incident caused by the transboundary movements of hazardous and other wastes and to share information on existing mechanisms and procedures put in place by the Office for the Coordination of Humanitarian Affairs and other regional and national organizations.

1   Afghanistan, Armenia, Azerbaijan, Belarus, Burkina Faso, the Democratic Republic of Congo, Ethiopia, Georgia, Haiti, India, Kazakhstan, Nepal, Peru, the Philippines, Serbia, South Sudan, Sri Lanka, Sudan, Thailand, Turkmenistan, Uganda and Ukraine.

2   Afghanistan, Bolivia, Cote d'Ivoire, Democratic Republic of Congo, Ecuador, Haiti, Iraq, Jordan, Lebanon, Morocco, Nepal, Nigeria, Palestine, Paraguay, Peru, Somalia, South Sudan, Sudan and Yemen.

We responded to **seven acute environmental emergencies in six countries in 2016,** meeting **all** national requests for assistance.[3] This brings the number of post-crisis or rapid environmental assessments to 39 since 2011. These missions provide important opportunities to address both immediate and long-term environmental challenges. **In 77 per cent of the post-crisis or environmental emergency assessments between January 2011 and December 2015 where UN Environment identified serious risks, national governments or the UN took remedial action to mitigate those risks (against a target 82 per cent).**

While UN Environment provides environmental assessments immediately after a crisis on request from the country or UN system, the organization also supports those countries that require **more sustained environmental assistance for recovery**, which has meant longer-term support in several post-crisis countries.

More countries respond to emergencies in 2016 with UN Environment support

Country	UNEP support	Result
Iraq (Mosul Dam)	The Joint Environment Unit (JEU) deployed a mission to support preparedness for a potential failure of the Mosul Dam.	As a follow-up, a United Nations Disaster Assessment and Coordination (UNDAC) mission was mobilized. The JEU was able to activate the following support activities: deployment of the World Health Organization Emergency Medical Teams' Manager, the development of dam-failure scenarios and flood maps through the Union Civil Protection Mechanism, and the provision of satellite imagery through UNOSAT.
Ecuador (April earthquake)	In response to the April 2016 earthquake, an environmental expert was mobilized through the European Union Civil Protection Mechanism. The Flash Environmental Assessment Tool was used to evaluate risks posed by key industrial sites in the affected area, and technical advice was provided on disaster waste.	Major issues identified include impacts on protected areas and biodiversity, water management, pollution, environmental emergency risk and the need for eco-DRR solutions in hazard-exposed coastal areas. Outputs and analysis was incorporated into early recovery programmes.
Haiti (October hurricane)	An environmental emergency expert was mobilized through the JEU, with support of the European Union Civil Protection Mechanism, as part of the UNDAC team deployed to support the response to Hurricane Matthew.	The environment was integrated in humanitarian plans (Flash Appeal, Humanitarian Response Plan) and PDNA. Recovery in the South is being coordinated around agriculture and incorporating environmental considerations.

Increased capacities where UN Environment has a longer-term country presence

Afghanistan	UN Environment assisted the Afghanistan Resilience Consortium (ARC) and Afghanistan National Disaster Management Authority on the initial steps of a new national resilience pathways Disaster Risk Reduction framework. This resulted in climate change science capacity as well as resilience- and adaptation-focused response strategies being made accessible to local district and village planners. It also helped link the university and science institutions to international expertise and networks.
Haiti	UN Environment worked with the Government of Haiti to build capacity for the management of marine protected areas along the country's southern coast and to promote a green economy by (1) revitalizing the cacao sector under a new, sustainable model working with youth and women and targeting high value cacao markets abroad; (2) providing an analysis of the charcoal value chain that is changing the way that the government and donors address deforestation; (3) establishing Green Economy partnerships with three social enterprises; and (4) providing electricity seven days a week to 1,000 households and public spaces in three coastal communities. Following the devastation of Hurricane Matthew, we supported the Post Disaster Needs Assessment and ensured that environmental issues were incorporated into recovery plans.
South Sudan	Amid a turbulent political context, UN Environment nonetheless provided technical support to enable South Sudan to meet key international obligations through the completion of its National Adaptation Programme of Action and Intended Nationally Determined Contributions. UN Environment also facilitated successful resource mobilization from the Global Environment Facility to prepare the first South Sudan State of the Environment & Outlook Report accompanied by a programme of capacity-building support.
Sudan	Sudan's first Multi-stakeholder Catchment Management Forum was established in the Wadi El Ku area of North Darfur with the support of UN Environment. The forum will advise on equitable and sustainable use of resources. It is part of a growing number of local initiatives, developed by UN Environment, that bring competing tribal groups together around shared natural resources and community-based management of water infrastructure and forest reserves in Darfur and Kordofan.

---

3   Bolivia, Ecuador, Haiti, Iraq (x2: Mosul dam and Mosul fires), Palestine and Paraguay.

We currently provide such support in four countries: **Afghanistan, Haiti, South Sudan** and **Sudan.** Our performance in these countries is measured against the extent to which it has increased environmental governance capacity in the form of a Country Capacity Framework, which measures the emerging capacity to address environmental challenges.[4] This is the second key indicator of the success of the programme.

Our 2016 target was for all countries receiving long-term support to have progressed one step across four dimensions in the country capacity framework

by the end of 2016. The fact that all the countries either maintained or progressed their position along the Country Capacity Framework during 2016 is a significant achievement given the continuation of violence in South Sudan and Afghanistan and the impact of the devastating Hurricane Matthew in Haiti in October 2016. These events relate to a central challenge of our recovery work, which is how to gauge progress in fluid and often highly challenging situations. The four countries have collectively advanced 11 of a required 16 steps along the country capacity framework since 2013, which translates to a 96 per cent achievement of the target.

Countries receiving UN Environment's long-term support progress in building capacity

	Afghanistan			Haiti			South Sudan			Sudan		
	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Access to information, data availability	↗	→	→	↗	↗	→	↗	↗	→	↗	→	↑
Policy and planning	→	→	→	↗	→	→	↗	↗	→	↗	→	→
Legal environment	→	→	→	↗	→	→	→	↑	→	→	→	→
Institutions	→	↗	↑	↑	→	→	→	↗	↑	→	→	→
Implementation and enforcement capacity	→	→	→	↗	→	→	→	↗	→	↗	→	→
Public participation	→	↗	→	→	→	→	↓	↗	↓	↗	→	→

➡ No progress   ↗ Slight progress   ↑ Strong progress   ⬅ Setback

US$ million

Environment Fund	Trust Funds & Earmarked contributions	GEF	Regular Budget

10.3 4.0 4.4   11.7 17.8 12.3   0.0 0.0 0.1   2.2 2.2 1.4

Source of Funding

■ 2016 Budget   ■ Available Resources as at 31 December 2016   ■ Expenditure as at 31 December 2016

---

4   The country capacity framework aims to provide an objective assessment of the extent to which UN Environment has built overall country-level capacity for environmental governance in six dimensions: 1. Access to information and availability of data for informed decision-making; 2. Enhanced planning and policy development skills; 3. Improved regulatory frameworks; 4. Stronger environmental institutions; 5. Implementation and enforcement capacity; and 6. Public participation in decision-making. Each dimension has six components or steps. Country project teams, in collaboration with national partners, assess the level of environmental governance across each of these components at the end of each year and decide the extent to which they have been achieved (incomplete, partially met, mostly met, or complete). A cumulative equivalent score of four components progressing from incomplete to complete is needed to meet the expected accomplishment. The original indicator anticipated baseline information being available from 2010 and across a wider group of countries. However, it was felt that the indicator would appropriately apply to only those countries in which UN Environment is providing long-term support (currently four). In addition, full baseline information for these four countries was collected in 2013, thereby reducing the time for the achievement of the indicator and skewing the percentage necessary for full achievement of the indicator.
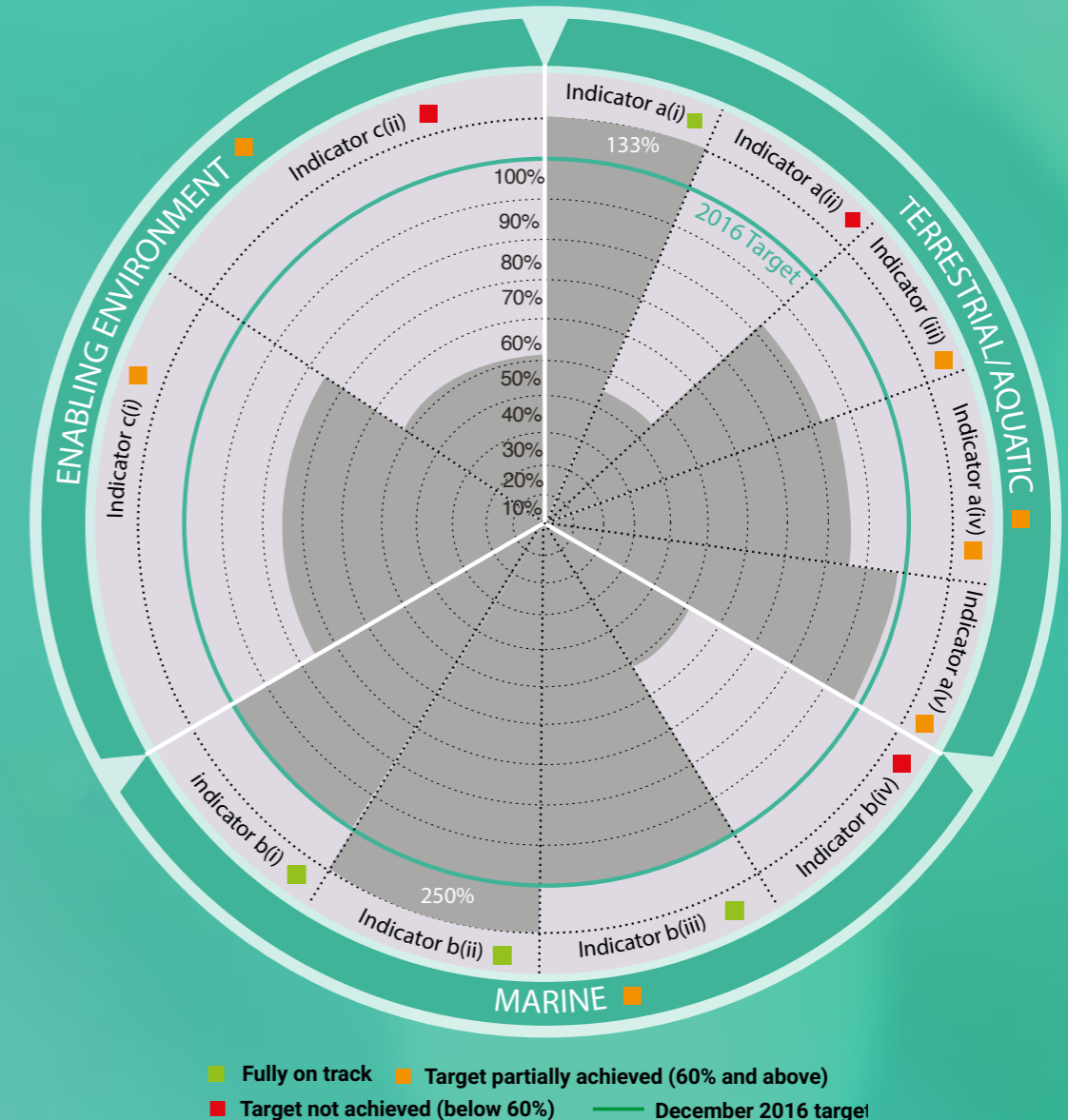
ECOSYSTEM MANAGEMENT

In our work on e**cosystem management**, we focus on achieving results in the following areas:

- *The enabling environment*, where we assist countries in incorporating the value and the long-term functioning of ecosystems in planning and accounting frameworks to meet multiple objectives;

- *The productivity of terrestrial and aquatic ecosystems*, where we help countries use an ecosystem approach to managing terrestrial and aquatic ecosystems; and

- *The productivity of marine ecosystems*, where we help countries use an ecosystem approach in marine ecosystem management.

We partially met our 2016 ecosystem targets.

Fully on track   **Target partially achieved (60% and above)**
Target not achieved (below 60%)   —— **December 2016 target**

INDICATORS OF ACHIEVEMENT

PRODUCTIVITY OF TERRESTRIAL AND AQUATIC ECOSYSTEMS

a) (i)   Increased percentage of countries integrating the ecosystem approach into sector-based natural resource management, with the assistance of UNEP

a) (ii)   Increased ratio of river basins where the ecosystem approach is approved by governing bodies or under implementation by parties, to the total number of river basins in countries, with the assistance of UNEP

a) (iii)   Increased percentage of countries that are improving their water quality frameworks based on the international water quality guidelines, with the assistance of UNEP

a) (iv)   Increased percentage of area managed using an ecosystem approach out of the total area covered by countries, with the assistance of UNEP

a) (v)   Increased percentage of area, by country or by group of countries that share transboundary ecosystems, of land or watershed ecosystem restoration, with the assistance of UNEP

PRODUCTIVITY OF MARINE ECOSYSTEMS

b)(i)   Increased percentage of countries and corporations adopting action plans to reduce marine litter and wastewater in coastal and marine ecosystems, with the assistance of UNEP

b)(ii)   Increased percentage of countries and corporations adopting action plans to reduce untreated wastewater in coastal and marine systems, with the assistance of UNEP

b)(iii)   Increased percentage of regional seas for which the ecosystem approach is being implemented by parties, with the assistance of UNEP

b)(iv)   Increased percentage of area covered by an ecosystem¬-based management plan out of the total area covered by countries, with the assistance of UNEP

BUILDING KNOWLEDGE AND ENABLING CONDITIONS

(c) i)   increase in the number of countries that integrate the ecosystem approach in development planning, with the assistance of UNEP.

(c) ii)   Increase in the number of countries that integrate priority ecosystem services into their national accounting and budgeting processes, with the assistance of UNEP capacity framework for natural resource and environmental management, with the assistance of UNEP.

BUILDING KNOWLEDGE AND ENABLING CONDITIONS

To help create an *enabling environment* for countries to manage ecosystems in a sustainable way, we help countries take account of ecosystem services, assess water quality and incorporate considerations of the health and productivity of ecosystems into their policy frameworks. By the end of 2016, **11**[1] **countries had operational ecosystem accounts in place**. **Thirteen**[2] **countries** had taken steps to update their **water quality frameworks** and more than **90 countries had reported** about the **status of water quality**. **Forty-four countries** had also **incorporated** the health and productivity of ecosystems as an element in at least two of their **policy frameworks.**

We offer a number of products and services in our work to achieve this result. The following were used in 2016:

- Our products and services that contribute to the establishment of accounts on ecosystem services include valuations, standard setting, capacity building, *The Economics of Ecosystems and Biodiversity* study for Agriculture and Food, and the Inclusive Wealth Index.

- As per resolution 27/3 of the UN Environment Governing Council, we worked with countries to compile best practices and frameworks for water quality. We also supported countries to monitor and report on water quality, in line with the Sustainable Development Goal on Water.

- We worked with more than 100 countries to put in place policies and strategies on biodiversity, desertification, biosafety, agriculture, forestry and access and benefit sharing. We further supported country work through global forums, capacity building, review and data.

PRODUCTIVITY OF TERRESTRIAL AND AQUATIC ECOSYSTEMS

By the end of 2016, we had enabled different sectors in a total of **33**[3] **countries** to use an ecosystem approach. We had also enabled **five water basins**[4] to take steps to secure the health and productivity of terrestrial and aquatic ecosystems. We have also supported the establishment of protected areas and the advancement of ecosystem restoration.[5]

We offer a number of products and services in our work to achieve this result. The following were used in 2016:

- We provided technical support through UN Water and the Global Environmental Monitoring Initiative (Water) to test the monitoring and reporting on the indicators under the Sustainable Development Goal on Water. We have further compiled best practices on water quality and, in collaboration with countries, raised the level of awareness and capacity to monitor, address and report on water quality.

More countries use an Ecosystem Approach to improve productivity

Country	Result
Nepal	Pollination management plans have been adopted and pollinator conservation has been included in the revised Agrobiodiversity Policy.
Cambodia	Cambodia incorporated UN Environment knowledge products and scenario analysis of the landscape approach in their national climate change plan. They also completed and endorsed a National Invasive Species Strategy and Action Plan.

Progress in integrated ecosystem management

- Natural capital accounts as at Dec 2016
- Demonstrated application of integrated ecosystem management as at Dec 2016
- UN environment support

---

1   Australia, Brazil, Botswana, Canada, Colombia, Guatemala, Kenya, Mauritius, Philippines and Rwanda.
2   Finland, Germany, Ghana, Guatemala, Japan, Netherlands, New Zealand, Peru, Senegal, South Africa, Switzerland, Uganda, United States of America.

---

3   Angola, Benin, Brazil, Burkina Faso, Cambodia, Côte d'Ivoire, Cuba, Democratic Republic of Congo, Dominican Republic, Ecuador, Ethiopia, Ghana, Guinea, Guinea-Bissau, Haiti, India, Indonesia, Iraq, Kenya, Liberia, Madagascar, Mali, Nepal, Nigeria, Papua New Guinea, Peru, Republic of Congo, Rwanda, Sierra Leone, South Africa, Togo, Uganda, Ukraine.
4   Lukaya, Mekong, Mixteca, Molopo-Nossob, and Tigris-Euphrates.
5   Argentina, Bolivia, China, Cook Island, Cuba, Ecuador, Ethiopia, Marshall islands, Mexico, Micronesia, Mozambique, Nauru, Palau, Paraguay, Peru, Tanzania, Zambia.

- Through collaboration with the Global Research Partnership and the members of the Landscape for People Food and Nature initiative, PROTEUS and the Finance Initiative, we made best practice and data available to the finance, extractive, agriculture, forestry, water and energy sectors.

PRODUCTIVITY OF MARINE ECOSYSTEMS

Country action on marine litter and wastewater continued to increase in 2016, with another 8 countries, sub-national level governments and
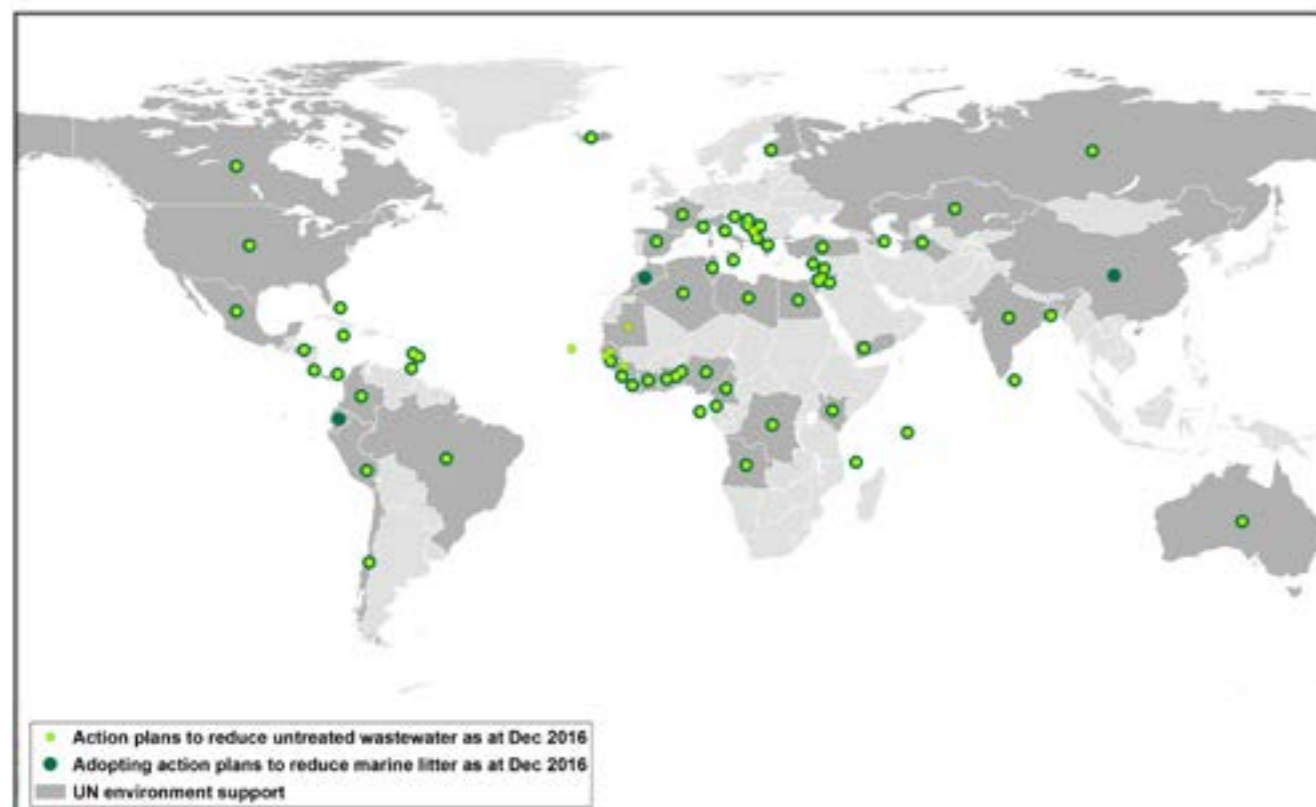
private sector entities[6] agreeing on marine litter or wastewater action plans.

UN Environment's **Regional Seas Programmes and the Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities (GPA)** are the main vehicles that we use to support countries in integrating the ecosystem approach in their efforts to sustain coastal and marine ecosystems. In 2016, 61 per cent[7] of regional seas (11 out of 18 regional seas programmes or action plans) or their member states used an ecosystem approach to improve the management of the marine environment.

Increased action to maintain the health and productivity of oceans

Country or groups of countries	Result
Cabo Verde, Gambia, Guinea, Mauritania, Senegal	Adopted or updated wastewater action plans.
Tesco	Banned microbeads from all products.
Barbados	Piloted a financial mechanism for reef management.
Mexico	Pledged to increase marine protection to 23% (more than double the target percentage).

Progress in addressing ocean pollution

- Action plans to reduce untreated wastewater as at Dec 2016
- Adopting action plans to reduce marine litter as at Dec 2016
- UN environment support

We offer a number of products and services in our work to achieve this result. The following were used in 2016:

We provided support to countries to establish action plans to address marine litter and wastewater at regional, national and sub-national level.

We provided secretarial support to the Tehran Convention (Caspian Sea) to establish the trust fund and for the ratification of the Aktau Protocol on regional preparedness, response and cooperation in combating oil pollution incidents.
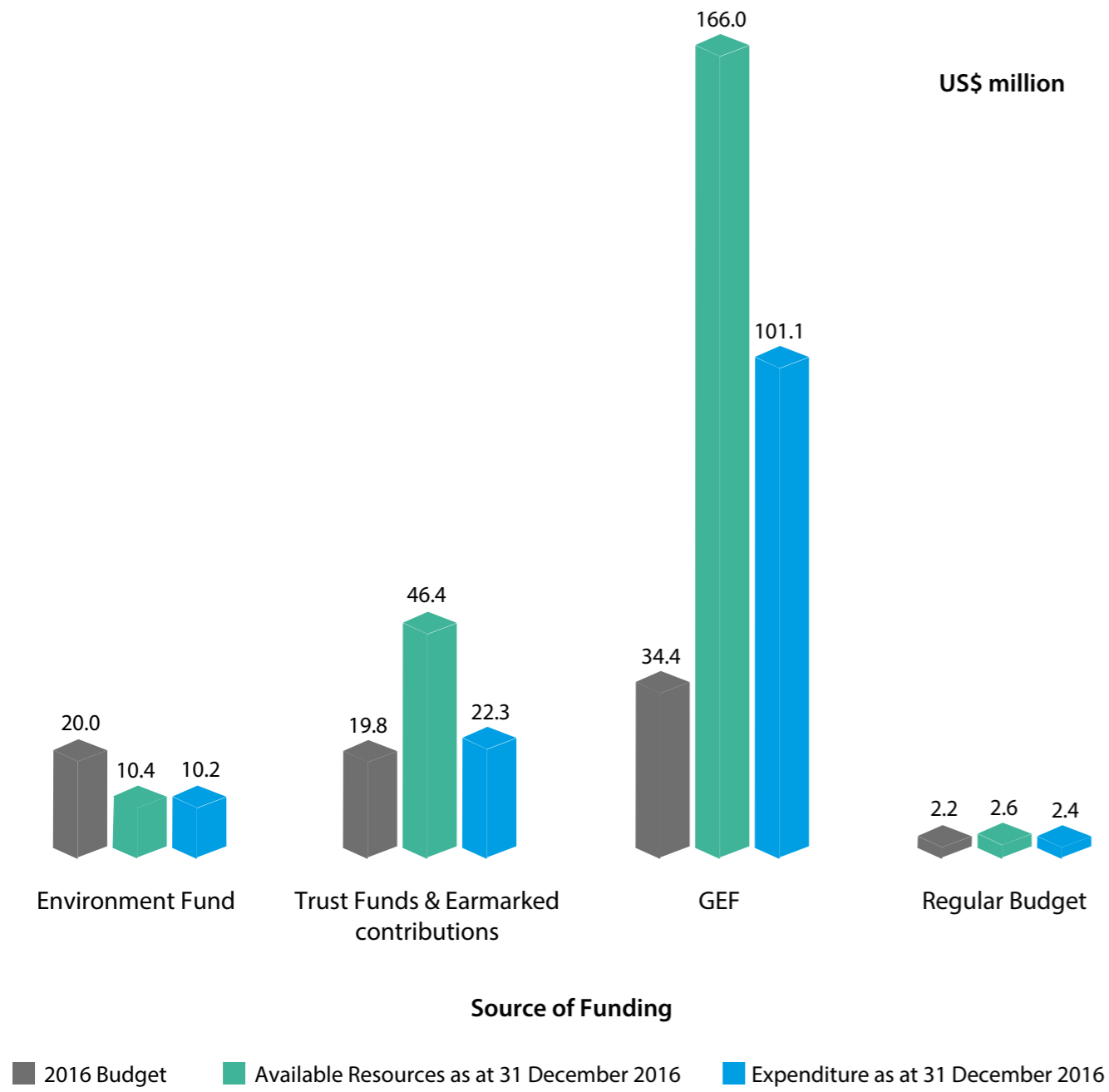
Under the auspices of the Global Programme of Action for the Protection of the Marine Environment from land-based activities, we organized a Massive Open Online Course on nutrients and wastewater and secured US$500,000 to raise awareness and increase investments in addressing land-based pollution.

We also worked with several countries to harness opportunities from sustainable wastewater management through pilot projects, fact sheets videos, and workshops.

The Green Fins programme has continued to improve business practices in the scuba diving sector. It now operates in seven countries with over 500 diving and snorkelling operators.

In preparation of the 2018-2021 Mid-Term Strategy, we have increased our focus on how finance is allocated in the public and private sector with several knowledge products and partnerships. This work seeks to substantially shift private financial flow to improved ecosystems management. In 2016, UN Environment, in collaboration with several finance institutions (S&P Global ratings and HSBC) put forward ground-breaking insight into the role of natural resource-related risk in Sovereign Credit Analysis. Furthermore, we continue to play a key facilitating role in establishing the Tropical Forest and Agriculture Fund, which seeks to reduce financial barriers to sustainable land management.

---

6   Marine litter (Hawaii, USA;Lanzarote, Spain; Tesco) and wastewater (Cabo Verde, Gambia, Guinea, Mauritania, Senegal).
7   Abidjan Convention, Barcelona Convention, Cartagena Convention, Helsinki Convention, Jeddah Convention, Nairobi Convention, North-West Pacific Action Plan, OSPAR Convention, South Asian Seas Action Plan, Lima Convention, Tehran Convention.

US$ million

166.0

101.1

46.4

34.4

22.3

20.0

19.8

10.4   10.2

2.2   2.6   2.4

Environment Fund

Trust Funds & Earmarked contributions

GEF

Regular Budget

Source of Funding

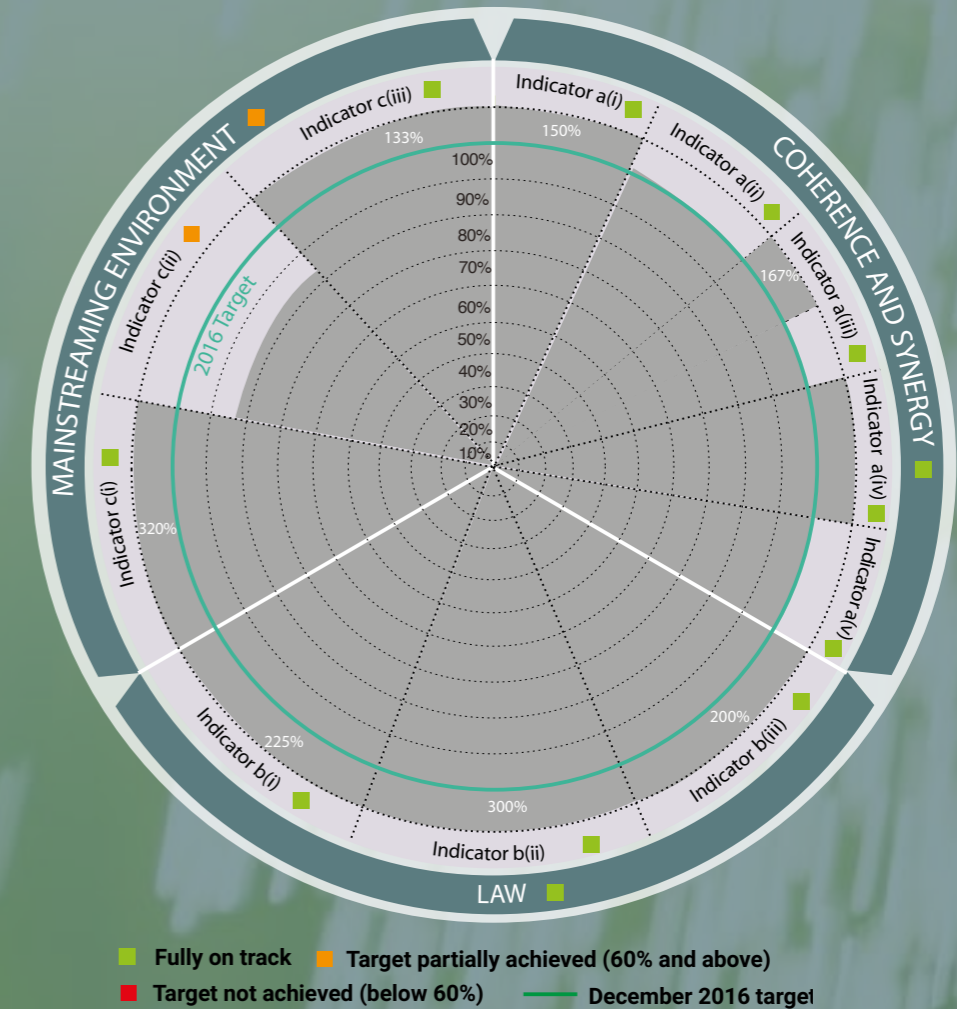■ 2016 Budget   ■ Available Resources as at 31 December 2016   ■ Expenditure as at 31 December 2016

ENVIRONMENTAL GOVERNANCE

Environmental Governance comprises the rules, practices, policies and institutions that shape how humans interact with the environment. We work to strengthen institutions and improve environmental governance in three ways:

- *Improving coherence and leveraging synergies,* where we aim to help the UN system and multilateral environmental agreements work together more coherently;

- *Strengthening laws and institutions*, where we support national efforts to develop and enforce laws and strengthen institutions to achieve environmental objectives in tandem with social and economic goals; and

- *Mainstreaming the environment into development,* where we assist countries to integrate environmental sustainability into development planning.

We met the majority[1] of our targets on environmental governance for 2016. Progress was also made in areas that do not result directly in meeting our indicator targets but are in response to resolutions of the UN Environment Assembly.

Fully on track ■ **Target partially achieved (60% and above)**
Target not achieved (below 60%) —— **December 2016 target**

INDICATORS OF ACHIEVEMENT

COHERENCE AND SYNERGIES

a i)   Increased number of joint initiatives to handle environmental issues in a coordinated manner in the United Nations system and multilateral environmental agreement bodies as a result of UNEP efforts

a ii) Increased number of collaborative arrangements with the secretariats of selected multilateral environmental agreements which result in increased coherence and synergy between the UNEP programme of work and the programmes of work of those agreements

a iii) Increased number of policy instruments or action plans adopted by Governments and United Nations bodies pursuant to the post-2015 development framework, [1] including the sustainable development goals, that incorporate environmental objectives

- Number of policy instruments or action plans adopted by Governments pursuant to the post-2015 development framework that incorporate environmental objectives, as a result of UNEP efforts
- Number of policy instruments or action plans adopted by United Nations bodies pursuant to the post-2015 development framework that incorporate environmental objectives

a iv) Increased number of United Nations entities implementing emissions reduction strategies and/or environmental management systems

a v)   Increased number of environmental policy issues or approaches emerging from UNEP policy advice or from United Nations system-wide strategies for the environment that are referred to bodies

LAW

b i)   Increased number of legal and institutional measures taken by countries to enforce the rule of law and improve the implementation of internationally agreed environmental objectives and goals, with the assistance of UNEP

b ii) Increased number of countries that undertake a review of, and adopt recommendations for, enhanced compliance with, and enforcement of, international environmental obligations, with the assistance of UNEP upon the request of the countries

b iii) Increased number of initiatives and partnerships of major groups and stakeholders in support of the development and implementation of national and international environmental law, with the assistance of UNEP

MAINSTREAMING ENVIRONMENTAL SUSTAINABILITY

c i)   Increased number of United Nations Development Assistance Frameworks (UNDAFs) in countries that incorporate the principles of environmental sustainability, with the assistance of UNEP and its partners

c ii) Increased number of countries that advance by at least one level in the UNEP results measurement framework for assessing public sector engagement in strengthening and applying financial planning instruments for pro poor growth and environmental sustainability, as a result of UNEP support

c iii) Increased number of policies and plans from subregional and regional forums that incorporate the principles of environmental sustainability, as a result of UNEP support

---

1   For the following indicator, "Increased number of countries that advance by at least one level in the UN Environment results measurement framework for assessing public sector engagement in strengthening and applying financial planning instruments for pro poor growth and environmental sustainability, as a result of UN Environment support" (EA(c)(ii)), the result is preliminary, as further analysis is needed of country data in order to define the exact progress against the target.

IMPROVING COHERENCE AND LEVERAGING SYNERGIES

In a complex international context where a multitude of actors work on issues that affect the environment, we promote **coherence and synergy** for a more consistent and efficient approach.

In 2016, we saw an increase in the number of **joint initiatives to handle environmental issues** in a coordinated manner across the UN system and by multilateral environmental agreements. Developments at both the global and regional levels are promoting a more coordinated response from the UN system to the environmental dimension of the Sustainable Development Goals. Interagency mechanisms include the Environment Management Group[1] and the United Nations Development Group. **Three new initiatives** were launched in 2016, thus meeting our target for the year.[2] Further progress has occurred in the context of ongoing joint initiatives.

In 2016, we saw an increase in the number of **collaborative arrangements between UN Environment and the secretariats of multilateral**

environmental agreements, thus resulting in increased coherence and synergy between the organizations.[3] Three new arrangements were established, thus exceeding the target of two for the year.

The multilateral system moves to greater coherence

UN system-wide framework on environmental strategies	In this framework adopted by the Environment Management Group, 48 agencies align their strategies on the environmental dimension of the 2030 Agenda for Sustainable Development.
Environmental sustainability peer reviews	A new set of UN entities' peer reviews on environmental management was launched. We collaborated with the World Bank and the International Civil Aviation Authority to conduct an environmental review of the International Monetary Fund headquarters.
Working group on resource-efficient growth.	A Thematic Working Group on resource-efficient growth was established under the Asia-Pacific Regional Coordination Mechanism. Similar initiatives are taking place in other regions.

Collaboration with Multilateral Environmental Agreement bodies increase

Wetlands	We agreed to collaborate strategically with the Ramsar Convention to support the future of wetlands.
National biodiversity synergies	We worked to enhance synergies among biodiversity-related agreements and the Sustainable Development Goals in Bahrain, Iran, Lao PDR, Palestine, Sri Lanka and Thailand. This occurred in the context of our support to countries on revising their national strategies and action plans on biodiversity.
Climate and law	We agreed to collaborate with the United Nations Framework Convention on Climate Change and the Commonwealth Secretariat on a climate change law toolkit to support national implementation.

In 2016, we also saw that the environment was increasingly embedded in actions to **implement the 2030 Agenda**. Tangible results were achieved with our support in three cases at the country level, and one in the United Nations context.[4]

With the objective of **greening the operations of the entire UN system**, we exceeded our target for 2016, with five additional entities adopting environmental management systems or emission reductions strategies, resulting in a total of 31.

In 2016, we saw three other UN bodies take up policy issues or approaches emerging from our policy advice, exceeding our expected target of two.[5] More systematic data collation and analysis will be undertaken at the end of the biennium for more thorough data on this indicator.

With several new indicators in the 2016-17 Programme of Work that measure the uptake of environmental approaches, there is a need for more systematic data collection, including in collaboration

Environment and the 2030 agenda

United Nations	Guide to UN Country Teams	A Common approach to the Sustainable Development Goals was reflected in the UN Development Group's guidance document on *Mainstreaming the 2030 Agenda for Sustainable Development,* Reference Guide to UN Country Teams.
Countries	Azerbaijan	A National Coordination Council on Sustainable Development was established as a commitment to working towards the effective implementation of the Goals.
	Mongolia	Data assessment findings were integrated into Mongolia's National Statistics Office Plan to strengthen data capacity for the Goals.
	Myanmar	Green economy, green growth and the implementation of the 2030 Agenda were linked through the incorporation of an integrated approach into Myanmar's plan on green economy and growth.

Greening UN operations

Entity	Measure
Brindisi Global Service Centre	ISO 14001 certification
International Labour Organization	New Environmental Management System
United Nations Department of Field Support	Environment strategy
World Bank	New strategic plan on corporate responsibility
UNOPS	ISO 14001 for entire agency

Uptake by the UN System

Human Rights Council Resolution 31/L.10 on Human Rights and Environment	The Resolution encourages states to "adopt an effective normative framework for the enjoyment of a safe, clean, healthy and sustainable environment" and welcomes our support to the Special Rapporteur on human rights and the environment.
UN General Assembly Resolution 71/19 on Cooperation between the United Nations and INTERPOL	The Resolution calls for strengthened cooperation in combating transnational crime, including crimes that affect the environment, such as illicit trafficking in wildlife.

---

1   The Environment Management Group is the UN-wide system coordination body on the environment, for which UN Environment provides the secretariat and chairmanship.
2   These results are in support of UNEA Resolution 2/5, Delivering on the 2030 Agenda for Sustainable Development.

3   These results are in support of UNEA Resolutions 2/17 (Enhancing the work of UN Environment in facilitating cooperation, collaboration and synergies among biodiversity-related conventions) and 2/18 (Relationship between UN Environment and the multilateral environmental agreements for which it provides the secretariat).

4   These results are in support of UNEA Resolution 2/5 Delivering on the 2030 Agenda for Sustainable Development.

5   These results are in support of UNEA Resolutions 2/14 Illegal trade in wildlife and wildlife products and 2/19 Midterm review of the Programme for the Development and Periodic Review of Environmental Law (Montevideo Programme IV).

Beyond the UN

Organizations of American States	The concept of environmental rule of law was embedded in the Inter-American Program for Sustainable Development, adopted by the 35 members of the Organization of American States.
European Union	Our ongoing work on crimes with impact on the environment was referred to in the European Parliament Resolution on the European Union Action Plan against Wildlife Trafficking.

with other UN agencies. Collaborative endeavours across UN agencies as well as a stronger engagement at the regional level will contribute to these efforts, but we also need greater investment in monitoring. More systematic efforts are also required to ensure that our policy issues and approaches are taken up by other bodies. The role of the United Nations Environment Assembly is key in this regard.

More broadly, a key challenge is to ensure policy coherence across sectors as well as across governance levels. To that end, we need to invest more in supporting countries to link the implementation of the 2030 Agenda and multilateral environmental agreements, and we need to help countries translate global goals into their national contexts.

STRENGTHENING LAWS AND INSTITUTIONS

Strong environmental rule of law is the bedrock of environmental governance and a cornerstone of the 2030 Agenda for Sustainable Development. We build national capacities to develop and enforce laws and strengthen institutions to achieve environmental objectives.

In 2016, countries took steps to strengthen their legal or institutional measures to improve implementation of international environmental goals. This resulted in **nine legal and institutional measures and three countries** taking measures for enhanced compliance,[6] exceeding the programme of work

Strengthening environmental governance at country level

Strengthening environmental governance at country level as at Dec 2016
- Strengthening laws and institutions
- Greening UN country frameworks
- Integrating environment into SDG implementation
- Progress in mainstreaming poverty-environment objectives
- Caspian Sea

More countries strengthen their Laws and Institutions

Geographic scope	Measure
Global	Member States led a process to support the implementation of the Montevideo Programme.
Caspian Sea	The Aktau Protocol on addressing oil pollution incidents under the Tehran Convention for the Protection of the Marine Environment of the Caspian Sea entered into force.
Angola	Ratified the Nagoya Protocol on benefit sharing.
Antigua and Barbuda	Introduced regulations for plastic waste under the Environmental Protection and Management Act.
Lao PDR	Enhanced its Material Transfer Agreement, incorporating Nagoya Protocol principles.
Myanmar	Enhanced its Memorandum of Agreement by the Biotechnology Research Department.
Sierra Leone	Ratified five multilateral environmental agreements as a result of our support.
Togo	Ratified the Nagoya Protocol on Access and Benefit Sharing.
Viet Nam	Developed an agreement to operationalize its regime on Access and Benefit Sharing of genetic resources.
Tanzania	Developed a rapid response manual for prosecuting wildlife crimes.
Viet Nam	Developed an enforcement manual to guide enforcement officers to impose legal liabilities to violators including criminal sanctions under Viet Nam's new Penal Code.

New partnerships

Georgetown Law Center	Established a Global Environmental and Sustainability Law Fellows Programme with our support.
Legal Response Initiaitve	We have struck a strategic collaboration on the progressive development of climate change legislation.
Globe International	We are collaborating with the worldwide network of environmental legislators to raise awareness of the 2015 global outcomes and agreements for legislators and their crucial role for success.
Interpol	We are collaborating with INTERPOL to address environmental crime.

target and bringing the total of such measures to 25. **Four more partnerships and initiatives** with major groups and stakeholders were established in 2016 to advance environmental law development and implementation, also exceeding the target.

One of our key challenges is how to meet countries' individual needs, considering the limited resources available, while at the same ensuring that our support helps to tackle global problems. Our range of partnerships needs to be expanded to further upscale successful initiatives. The leadership of individual member states is key to promoting South-South cooperation and promoting regional or sub-regional efforts to tackle environmental issues. We also need to more fully harness our internal expertise and that of our partners to deliver our programmes in a more integrated way.

---

6   These results are in support of UNEA Resolutions 2/5, 2/11 (Marine plastic litter and microplastics), 2/14 (Illegal trade in wildlife), 2/17, 2/19 and 2/25 (Application of Principle 10 of the Rio Declaration on Environment and Development in the Latin America and Caribbean Region).

MAINSTREAMING THE ENVIRONMENT INTO DEVELOPMENT

We assist countries to mainstream environmental sustainability objectives into national and regional development policies and plans, which is essential to achieving sustainable development.

In 2016, 19 countries or groups of countries[7] finalized their UN Development Assistance Frameworks and now fully integrate environmental priorities in these plans, exceeding[8] the target. Through our Regional Offices, we also provided some level of support to over 80 countries on the subject of environmental data, training of country teams, support in strategic planning and programme implementation.

The Poverty Environment Initiative, a programme we manage jointly with the UN Development Programme, continued to work in 24 countries to promote a closer association between poverty reduction and environmental objectives. A new indicator was agreed as part of the 2016-17

Programme of Work, measuring countries' overall progress in integrating these two objectives.[10] On this basis, five

countries[11] advanced at least one level in the measurement framework, slightly below the target of six. This is a provisional result, due to the complexity of the indicator, which requires extensive data analysis and comparisons.

We promoted political dialogue and cooperation through ministerial forums and related mechanisms, resulting in strong incorporation of environmental objectives.

Challenges in this area relate to the challenges highlighted under the section on coherence and synergies. Our work to support the integration of environment into national and regional policy, planning and political processes needs to go alongside other international efforts to promote coherence. There is an opportunity to better integrate the work of the Poverty Environment Initiative with other support we provide, including on legal and policy measures.

Progress in regional forums[9]

African Ministerial Conference on the Environment (AMCEN) - sixth special session	Cairo Declaration. Call for the sustainable and optimal management of Africa's natural capital as a gateway to contributing to the implementation of the 2030
Meeting of the Forum of Ministers of Environment of Latin America and the Caribbean	Cartagena Declaration. Commitment to accelerate collective action on climate change and air quality to safe management of chemicals
8th "Environment for Europe" Ministerial Conference	Batumi Initiative on Green Economy (BIG-E) endorsing the Strategic Framework for Greening the Economy in the Pan-European region. Commitment to accelerate action to combat air pollution.
South Asia Cooperative Environment Programme	Establishment of South Asia Forum of Sustainable Consumption and production to mainstream Sustainable Consumption and Production into development planning at sub-regional and national levels.

US$ million

Source of Funding

- 2016 Budget
- Available Resources as at 31 December 2016
- Expenditure as at 31 December 2016

Environment Fund: 12.5, 13.8, 11.6
Trust Funds & Earmarked contributions: 14.5, 34.3, 23.3
GEF: 1.2, 0.6
Regular Budget: 4.0, 5.1, 4.5

---

7   Caribbean countries, Bangladesh, China, Democratic People's Republic of Korea, Eritrea, Ethiopia, Honduras, Indonesia, Iran, Lao PDR, Lebanon, Mongolia, Montenegro, Panama, Peru, Uganda, Syrian Arab Republic, Tanzania and Uruguay.

8   While we systematically support countries to integrate environmental objectives in their national plans, the time of finalization and signature of the plans varies. This results at times in under-performing or over-performing with respect to the indicator, which was the case during this reporting period. Besides the actual finalization of the plans, support provided to country teams in terms of data provision and capacities strengthening is key to promoting the importance of the environment as part of UN planning processes.

9   These results are in support of UNEA Resolution 2/2 Role and functions of the regional forums of ministers of environment and environment authorities.

10   The indicator measures the number of countries that advance by at least one level in our results measurement framework for assessing public sector engagement in strengthening and applying financial planning instruments for pro-poor growth and environmental sustainability, as a result of our support.
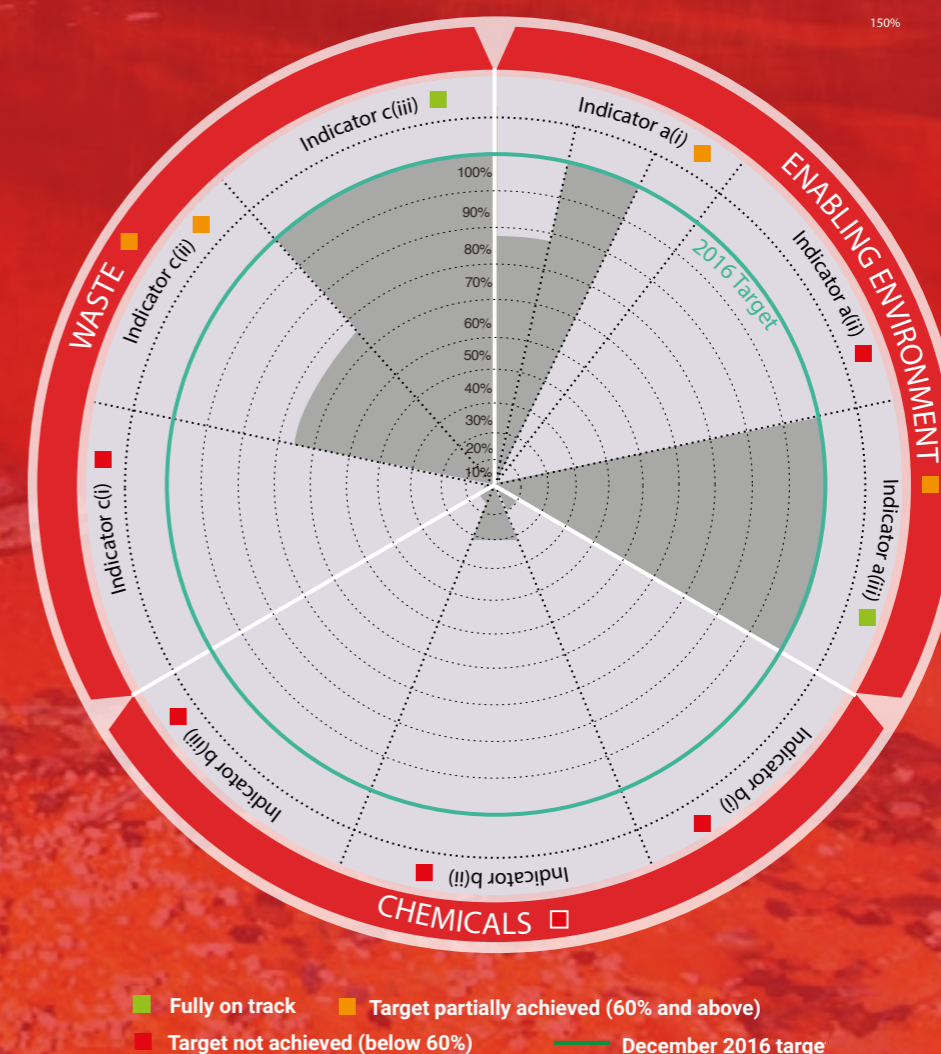
11   Bhutan, Lao PDR, Malawi, Philippines and Rwanda.

CHEMICALS AND WASTE

In our work on chemicals and waste, we focus on achieving results in three areas:

- *The enabling environment*, where we support countries to have the policies and institutional capacity to manage chemicals and waste soundly;

- *Chemicals*, where we help countries and other stakeholders implement sound chemicals management and the related multilateral environmental agreements; and

- *Waste*, where we help countries and other stakeholders implement sound waste management and the related multilateral environmental agreements.

Our work on chemicals and waste achieved several but not all of our targets for 2016. Some indicators set for this biennium had a higher level of ambition than proved feasible. While for these indicators an exponential increase was foreseen (as expressed in the targets in the organization's programme of work), in reality progress is occurring in a more linear fashion. Overall, the greatest progress has been made on ratifications of the Minamata Convention on Mercury and country decisions to adopt legislation to phase out lead in paint.

Fully on track   **Target partially achieved (60% and above)**

Target not achieved (below 60%)   **December 2016 targe**

INDICATORS OF ACHIEVEMENT

ENABLING ENVIRONMENT

a(i)   Increase in the number of countries reporting the adoption of policies for the sound management of chemicals and waste
- Number and percentage of countries assisted by UNEP reporting the adoption of policies for the sound management of chemicals and waste, related to obligations under the relevant multilateral environmental agreements
- Number and percentage of countries assisted by UNEP reporting the adoption of policies for the sound management of chemicals and waste, related to adopted SAICM emerging policy issues
- Number and percentage of countries assisted by UNEP reporting the adoption of "other" policies (e.g., related to mainstreaming, etc.) for the sound management of chemicals and waste

(a)ii   Increased number and percentage of countries reporting the use of economic and market-based incentives and business policies and practices that promote the sound management of chemicals and waste, with the assistance of UNEP

(a)iii   Increased number and percentage of countries assisted by UNEP reporting the use of industry reporting schemes that promote the take up of sound chemicals and waste management

CHEMICALS

(b) i   Increased number and percentage of Governments addressing priority chemical issues, towards SAICM objectives and their obligations under the chemicals multilateral environmental agreements, through the use of risk assessment and management tools provided by UNEP

(b)ii   Increased number of businesses and industries addressing priority chemical issues through the use of risk assessment and management tools provided by UNEP

(b)iii   Increased number of civil society organizations addressing priority chemicals issues under the chemicals multilateral environmental agreements, through the use of risk assessment and management tools provided by UNEP

WASTE

(c)i   Increased number and percentage of Governments addressing priority waste issues towards SAICM and their obligations under the related multilateral environmental agreements, through the use of tools and methodologies provided by UNEP

(c)ii   Increased number of businesses and industries addressing priority waste issues, through the use of tools and methodologies provided by UNEP

(c)iii   Increased number of civil society organizations addressing priority waste issues under the waste-related multilateral environmental agreements, through the use of risk assessment and management tools provided by UNEP

THE ENABLING ENVIRONMENT

Our foundational work on chemicals and waste focuses on helping countries create an enabling national policy environment that promotes sound chemicals and waste management. Such policies include those that would enable better management of different types of chemicals, such as mercury, lead, persistent organic pollutants and ozone-depleting substances. It also includes policies that help countries put in place market-based incentives for better management of chemicals.

We use three indicators to track our progress in this work: (1) the number of countries reporting the adoption of policies for the sound management of chemicals and waste, with our assistance; (2) the number of countries reporting the use of economic and market-based incentives and business policies and practices that promote the sound management of chemicals and waste, with our assistance; and (3) the number of countries reporting the use of industry reporting schemes that promote the take-up of sound chemicals and waste, with our assistance.

In 2016, with our assistance, **15 countries[1] ratified the Minamata Convention on Mercury.** As a result a total of 35 countries had ratified the convention as of the end of the year. Only 15 more ratifications are needed in 2017 to reach the total of 50 countries required for the Convention's early entry into force. Two countries that had ratified in late 2015 were not captured in the 2015 annual programme performance report.[2] It is expected that the First Conference of the Parties will be convened in Geneva in September 2017. Also in 2016, **seven additional countries[3] reported they had put in place policies to control lead in paint**, raising the global total to **66 countries**. With this latter result, we met our 2016 target for the unit of measure on the adoption of policies for the sound management of chemicals and waste, related to emerging issues under the Strategic Approach to International Chemicals Management, SAICM, under the first indicator.

Progress under indicator 2 was lagging, however, as no additional countries reported the use of economic and market-based incentives and business policies and practices in 2016. For us to hit this target in the future, we will need to work closer with governments to scale up country-level action and report on sound business policies and the use of incentives.

In 2016, the enabling environment for sound management of chemicals and waste saw other major breakthroughs with UN Environment support that will lead to future significant progress on our indicators in this field of work.

Kigali Amendment to the Montreal Protocol

In October 2016, the parties to the Montreal Protocol reached a monumental deal in Kigali, Rwanda to phase down hydrofluorocarbons (HFCs), greenhouse gases used in many sectors including refrigerators, air conditioning and aerosol sprays.
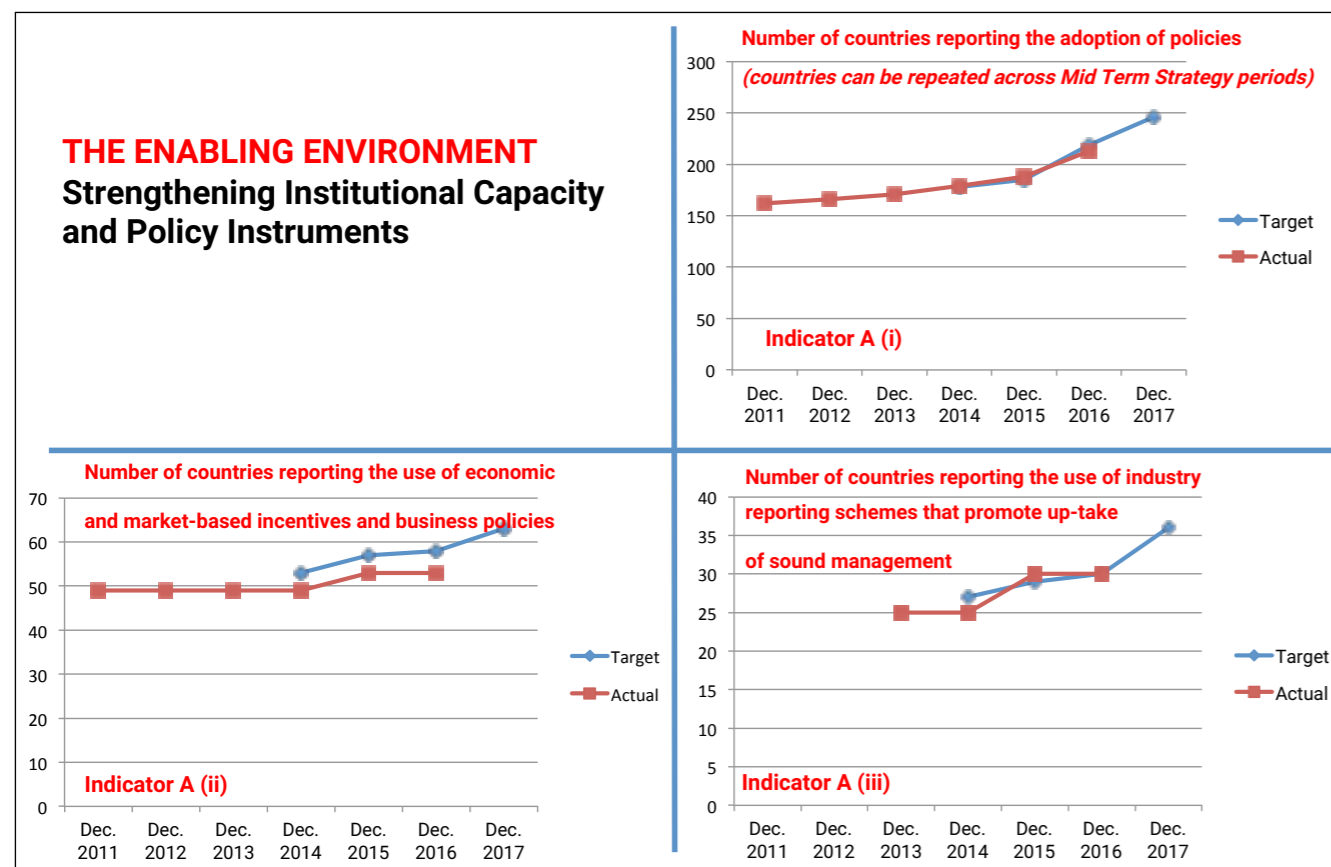
Countries are now starting to ratify the amendment to the Montreal Protocol. This is particularly important as developed countries have agreed to limit their HFC use by 10 per cent from 2019 onwards, while developing countries have committed to freeze their HFCs levels in 2024, and some developing countries in 2028.

Special Programme on Institutional Strengthening at the National Level

In June 2014, the first session of the United Nations Environment Assembly adopted the terms of reference for the Special Programme to support national institutional strengthening for the implementation of the Basel, Rotterdam and Stockholm Conventions, the Minamata Convention, and the Strategic Approach to International Chemicals Management. A voluntary trust fund was established to support the implementation of the Special Programme.
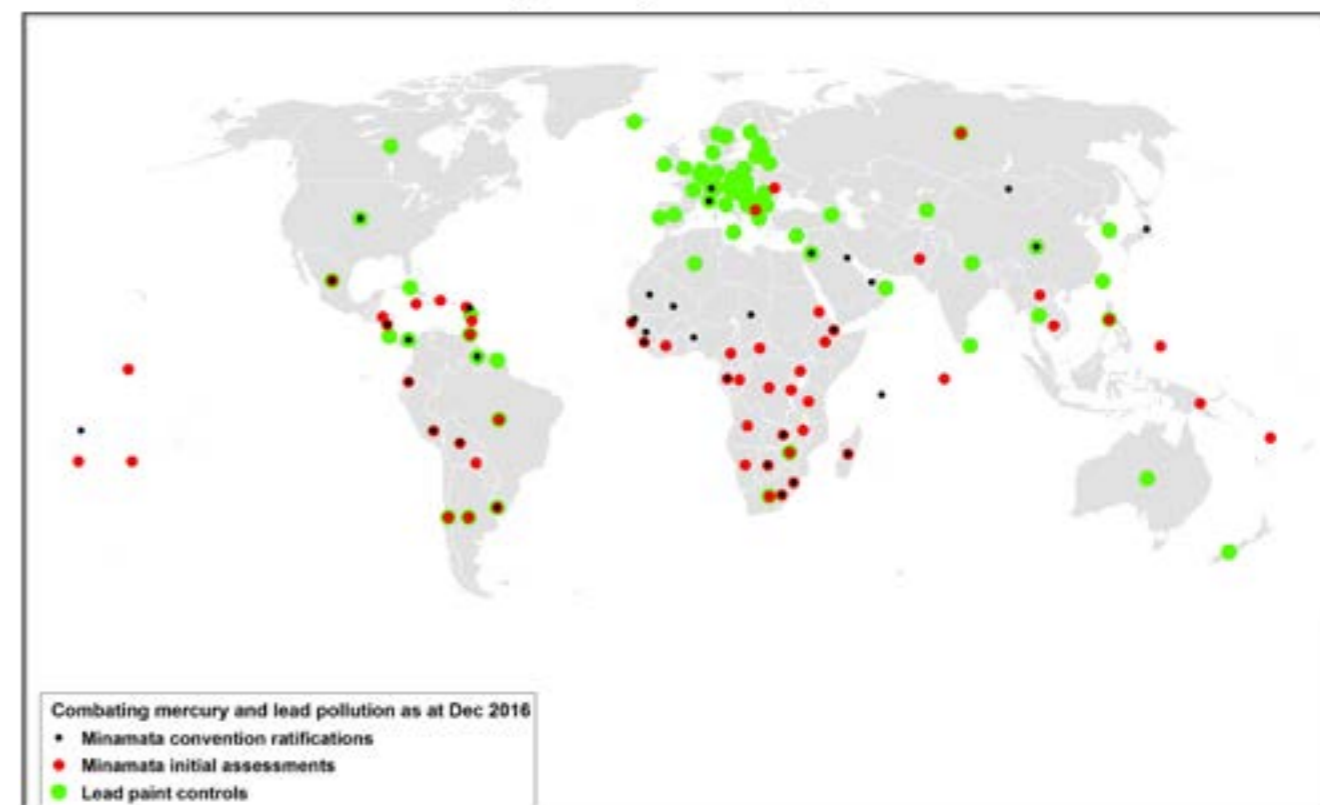
In October 2016, the Special Programme's Executive Board, its decision-making body, approved seven projects during the first and pilot round of applications, amounting to US$1.75 million. The Board took into consideration factors such as regional balance and special needs of least-developed countries and small island developing states. The first series of selected projects will be carried out in Argentina, Benin, the Dominican Republic, Iraq, Kyrgyz Republic, Tanzania and Ukraine. By December 2016, pledges and contributions to the Special Programme's Trust Fund and the Secretariat had reached US$16 million

Overview of progress

THE ENABLING ENVIRONMENT
Strengthening Institutional Capacity and Policy Instruments

Number of countries reporting the adoption of policies
(countries can be repeated across Mid Term Strategy periods)
Indicator A (i)

Number of countries reporting the use of economic and market-based incentives and business policies
Indicator A (ii)

Number of countries reporting the use of industry reporting schemes that promote up-take of sound management
Indicator A (iii)

---

1 Antigua and Barbuda, Benin, Bolivia, Botswana, China, Ecuador, Gambia, Japan, Mali, Peru, Senegal, Sierra Leone, Swaziland, Switzerland, and Zambia.
2 Jordan and Kuwait.
3 Armenia, Iceland, Kyrgyzstan, Republic of Korea, Thailand, Trinidad and Tobago, and Zimbabwe.

Combating mercury and lead pollution

Combating mercury and lead pollution as at Dec 2016
- Minamata convention ratifications
- Minamata initial assessments
- Lead paint controls

CHEMICALS

In 2016, we aimed to increase the number of governments, businesses and industries, and civil society stakeholders using our risk assessment and management tools to address priority chemical issues. Over the course of the year, **three governments, nine businesses and industries, and one civil society organization addressed priority chemical issues with our support**.

Results in this area have shown a linear increase over time, although an exponential increase was expected, as expressed in our targets. Further expanding our partnerships with the private sector and other stakeholders to ensure the uptake of our scientific and technical knowledge and tools will be crucial to moving the needle closer to the targets.

Government progress: Assessing and managing risk

Three national and local governments addressed priority chemical issues, including their obligations under related multilateral environmental agreements, through the use of our risk assessment and management tools. **Bosnia and Herzegovina** developed inventories of three persistent organic pollutants with our guidance. The **Government of São Paulo** in Brazil, on the other hand, adopted a policy on mercury-free medical devices, while **Yemen** updated its national implementation plan on persistent organic pollutants, both using our tools and guidance.

Private sector progress: Companies phase out mercury

Six private companies[4] reported in 2016 the closure of their chlor-alkali plants that use mercury, applying the guidance produced by the World Chlorine Council under the UN Environment-led Global Mercury Partnership. The chlor-alkali technology is an industrial process that produces chlorine and caustic soda. It makes use of mercury to make these chemical commodities. Phase out of those mercury technologies is urgently needed.

Civil society progress: The Rio Olympics use certified gold

Certified gold was used in the production of new Olympic Laurels for the 2016 Summer Olympics in Rio de Janeiro. These new trophies consisted of a laurel wreath and Olympic rings made of Fairmined Gold from responsible artisanal and small-scale mining organizations in Colombia and Peru. Both the Global Mercury Partnership and the Minamata Convention on Mercury encourage the use of market-based certification mechanisms like Fairmined as a way to foster reductions in mercury use in artisanal gold mining and enhance miners' livelihoods. The Alliance for Responsible Mining, which administers the Fairmined certification, is an active member of UN Environment's Global Mercury Partnership.
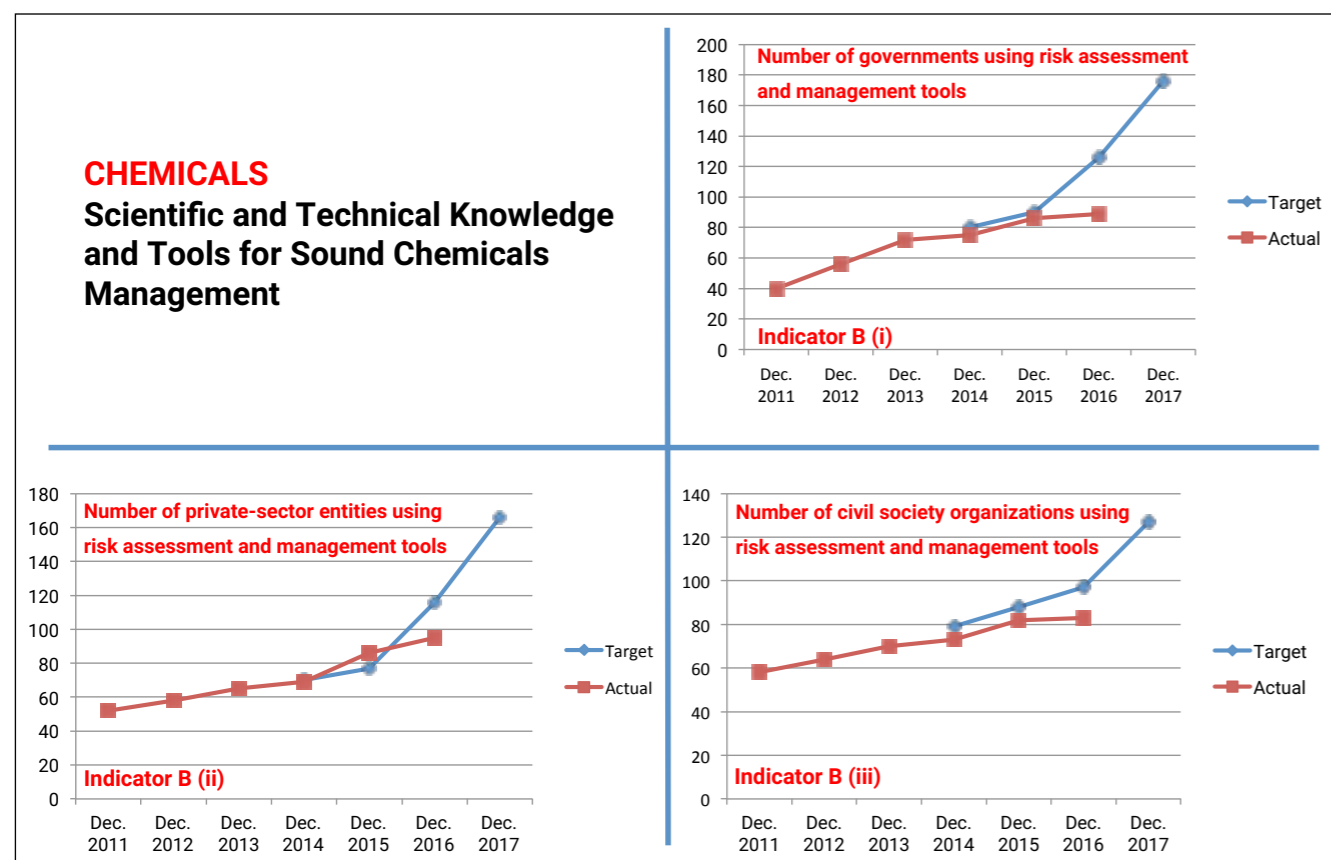
WASTE

We work with governments, businesses and industries, and civil society organizations to help them use innovative tools and methodologies to address priority waste issues. In 2016, **one government, two private companies, and three civil society organizations** began addressing priority waste issues with our help, **bringing the total number of governments doing so to 23, businesses to 26, and civil society organizations to 28.**

The 2016 target for civil society organizations has been met, while the results for the business and industry sector are just one point below target. The target for governments, however, has not followed the exponential increase that was expected four years ago. Here, progress has been slow and linear. It appears that we need to considerably scale up our work with national and local governments to ensure that they increasingly use our tools and guidance to inform and update their waste management strategies. This could be done by further leveraging our work through alliances like the Global Waste Management Partnership, mobilizing resources for exemplary country cases (that can encourage neighbours to make changes), and raising awareness by praising successful countries as "champions of sound waste management and prevention".

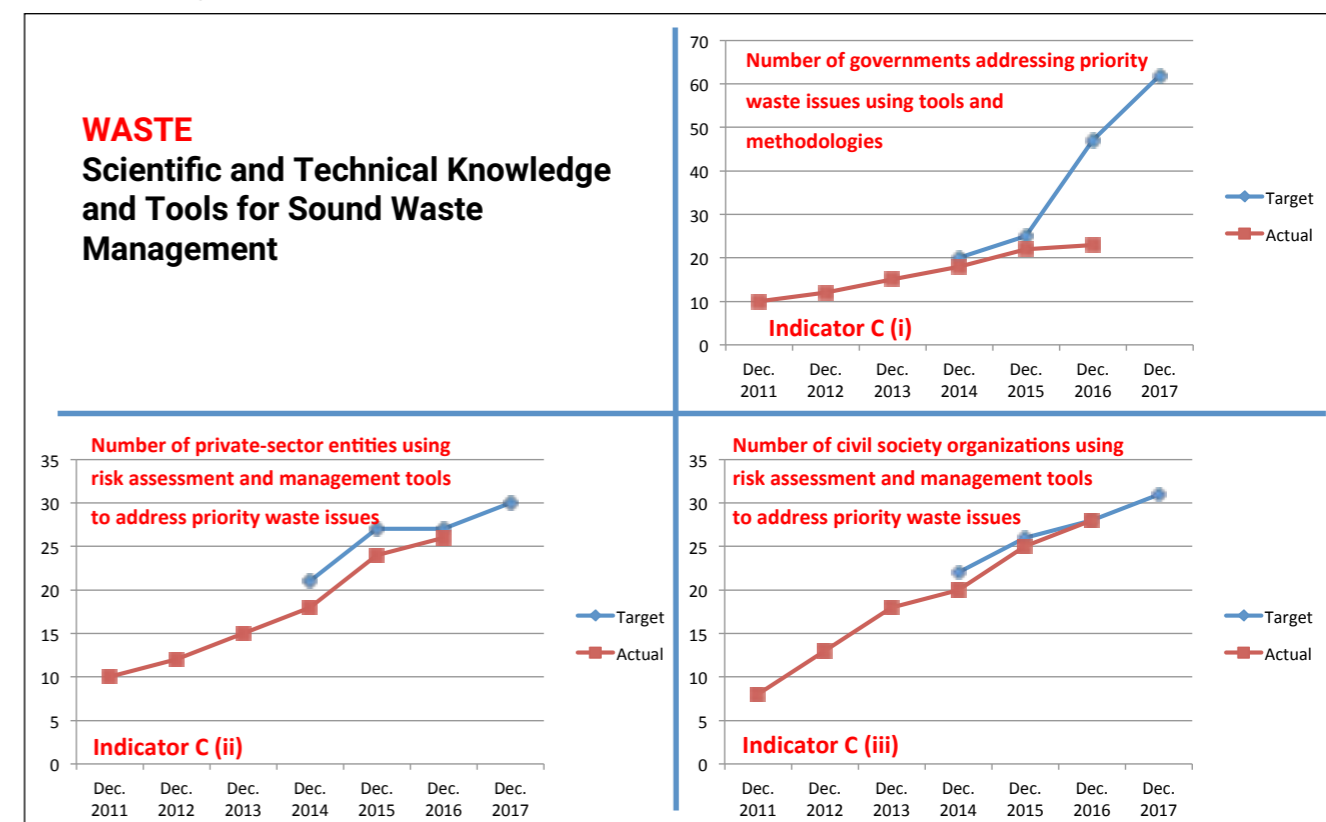## Government progress: Post-earthquake support in Nepal

In 2016, one year after a massive earthquake destroyed large parts of Nepal, we supported **the Nepali Government** in the development of a comprehensive strategy for managing almost 4

Overview of progress

CHEMICALS
Scientific and Technical Knowledge and Tools for Sound Chemicals Management

Indicator B (i) — Number of governments using risk assessment and management tools
Indicator B (ii) — Number of private-sector entities using risk assessment and management tools
Indicator B (iii) — Number of civil society organizations using risk assessment and management tools

Overview of progress

WASTE
Scientific and Technical Knowledge and Tools for Sound Waste Management

Indicator C (i) — Number of governments addressing priority waste issues using tools and methodologies
Indicator C (ii) — Number of private-sector entities using risk assessment and management tools to address priority waste issues
Indicator C (iii) — Number of civil society organizations using risk assessment and management tools to address priority waste issues

4   Atul Ltd. Valsad (India), Hindustan Paper Corporation Ltd. (India), Oltchim S.A. Ramnicu Vlacea (Romania), PCC Rokita S.A. Brzeg (Poland), PPChemicals (Malaysia), and Química del Cinca S.A. (Spain).

million tons of earthquake debris. The strategy was part of a sustainable post-disaster recovery process and addressed actions required at both national and sub-national levels. With our support, the Nepali Government was able to apply best practices for waste management, including of hazardous materials, and create a framework for sustainable and resource-efficient reconstruction efforts.

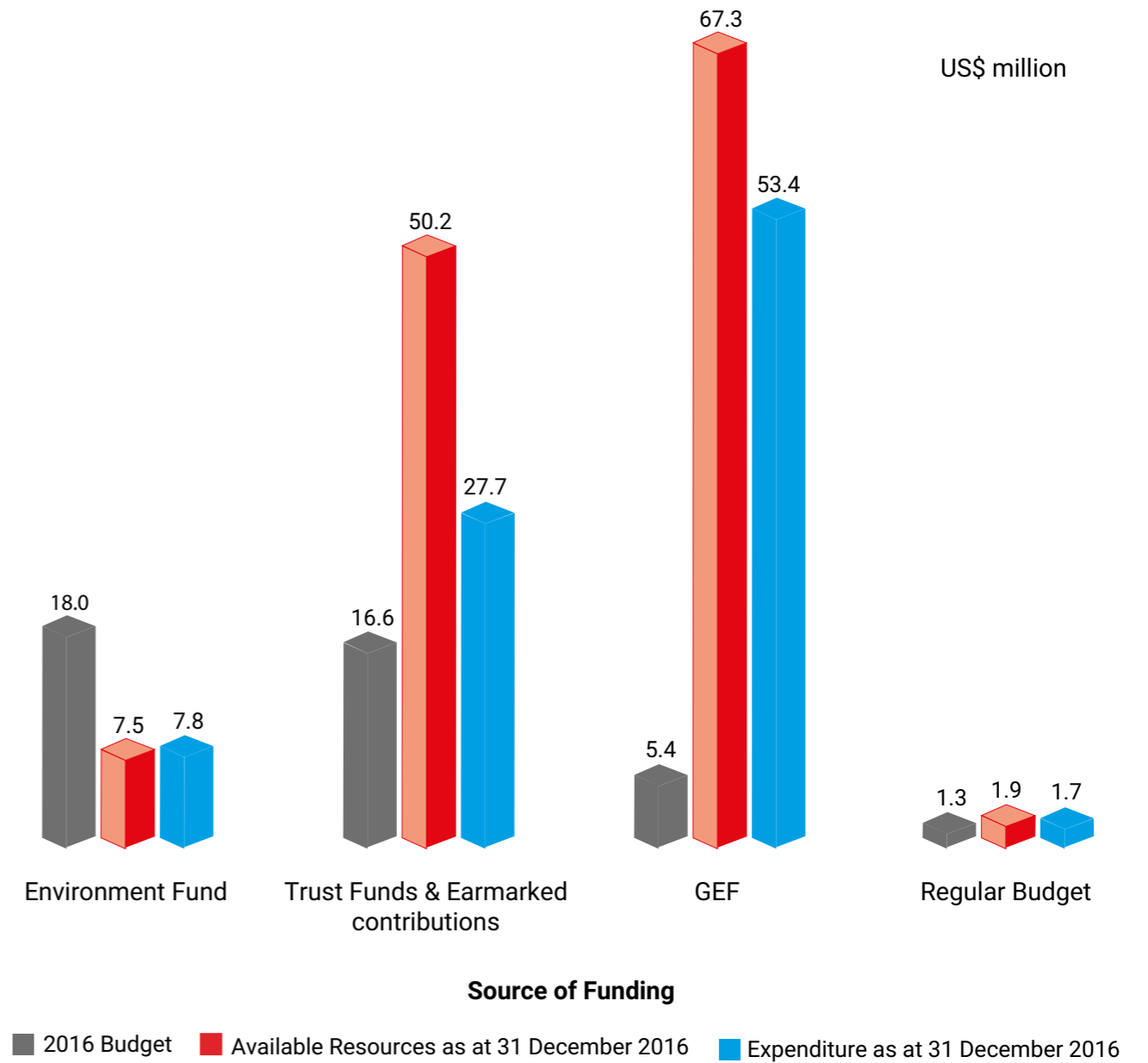## Business progress: Agricultural biomass and sustainable investment

In 2016 the **Sanghar Sugar Mill in Pakistan** opened a demonstration site for converting waste agricultural biomass into energy and compost through its biogas plant, with our support. Today, the plant processes 400 kg of agricultural waste every day, generating 50 cubic meters of biogas, 200 kg of liquefied fertilizer and 150 kg of solid fertilizer. Agricultural biomass waste can substantially displace fossil fuels, reduce greenhouse gas emissions and provide renewable energy to some 1.6 billion people in developing countries.

Also in 2016, **NN Investment Partners**, the asset manager of NN Group N.V. in the Netherlands, used the Global Waste Management Outlook, a joint product of UN Environment and the International Solid Waste Association, to inform their waste management investments in Europe, providing a sustainable example for other investors to follow.

Civil society progress: Informing strategies and curricula

In 2016, the waste management charity **WasteAid UK**, which shares recycling skills for lasting change, used the Global Waste Management Outlook to inform its three-year strategy. Similarly, **Imperial College London** used the report as an evidence-based call to action to address the global waste management challenge.

With the aim of training top professionals (engineers and non-engineers) in the waste management industry, in 2016 **Griffith University** in Australia joined other universities in integrating our waste management curriculum materials into its education and training programmes. This builds upon the work of the academic consortium that UN Environment and our academic partners established for the elaboration of a waste management curriculum for universities worldwide.

US$ million

	Environment Fund	Trust Funds & Earmarked contributions	GEF	Regular Budget
2016 Budget	18.0	16.6	5.4	1.3
Available Resources as at 31 December 2016	7.5	50.2	67.3	1.9
Expenditure as at 31 December 2016	7.8	27.7	53.4	1.7

Source of Funding

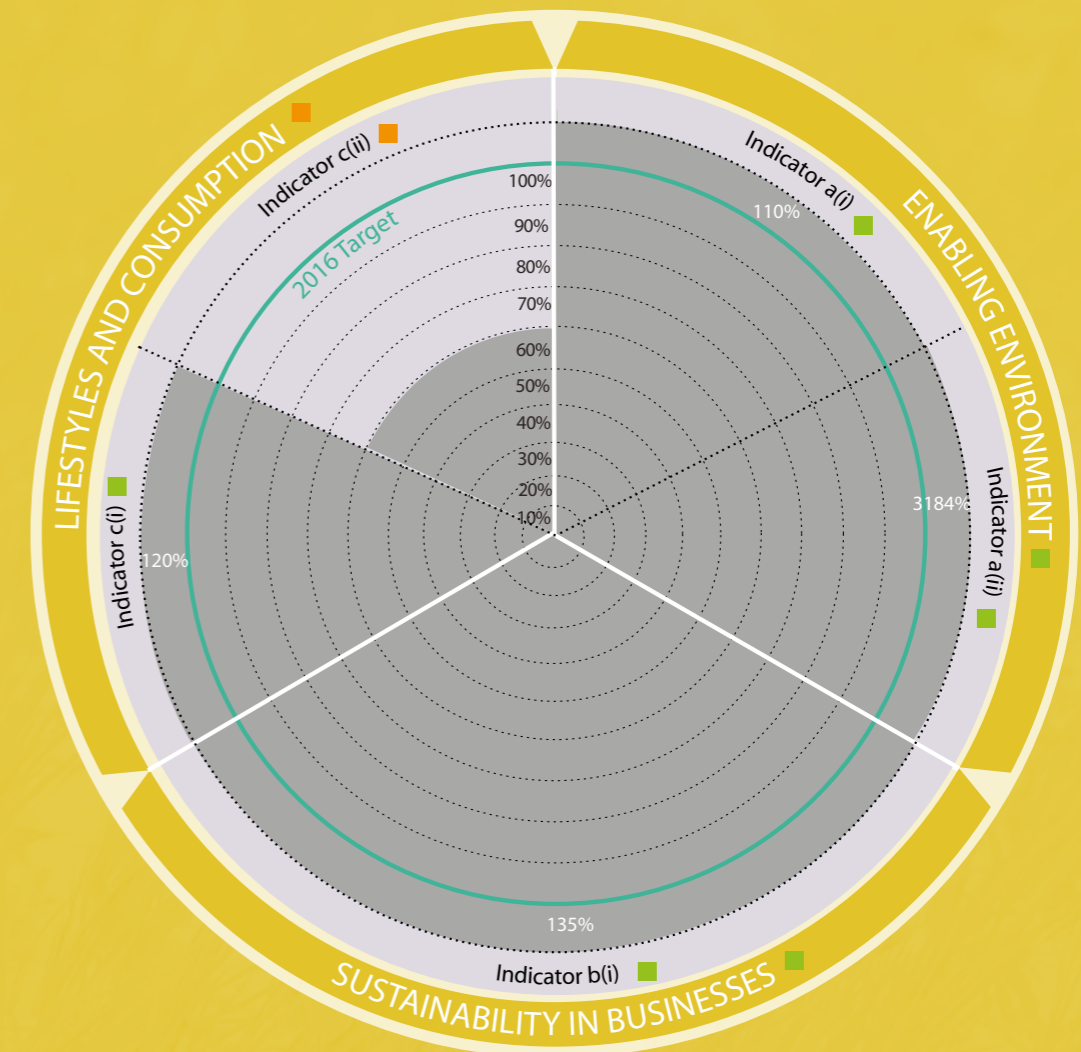■ 2016 Budget   ■ Available Resources as at 31 December 2016   ■ Expenditure as at 31 December 2016

RESOURCE EFFICIENCY

In our work on resource efficiency, we focus on achieving results in three areas:

- **Enabling policy environment**, where we support countries in creating policies to facilitate the transition to an inclusive green economy that is resource efficient, low carbon and that adopts sustainable patterns of consumption and production;

- **Sectors and supply**, where we enhance the ability of governments, businesses and other stakeholders to adopt sustainable production practices across global supply chains in key sectors; and

- **Lifestyles and consumption**, where we enhance the ability of countries, businesses, civil society and individual consumers to make informed choices for sustainable consumption and lifestyles.

We met or exceeded most of our targets for December 2016.

- ■ (green) **Fully on track** ■ (orange) **Target partially achieved (60% and above)**
- ■ (red) **Target not achieved (below 60%)** —— **December 2016 target**

INDICATORS OF ACHIEVEMENT

ENABLING ENVIRONMENT

(a) i)   Increase in the number of UNEP-supported regional, national and local institutions that make progress in the development and integration of the green economy in the context of sustainable development and poverty eradication and sustainable consumption and production approaches and tools in their policies

(a) ii)   Increase in the number of references to UNEP resource efficiency assessments and reports in policy and strategic documents by global and regional forums, national institutions, business organizations and academia

SUSTAINABILITY IN BUSINESSES

(b) i)   Increase in the number of stakeholders reporting progress in their improved management practices and use of more resource efficient tools and instruments in sectoral policies with the assistance of UNEP and its partners

LIFESTYLES AND CONSUMPTION

(c) i)   Increase in the number of stakeholders reporting progress in the development and use of tools conducive to more sustainable consumption patterns with the assistance of UNEP and its partners

(c) ii)   Increase in the number of projects initiated by stakeholders to promote more sustainable consumption and lifestyles that are catalysed by UNEP

ENABLING POLICY ENVIRONMENT

We support countries and regions to **transition to an inclusive green economy** and **adopt sustainable consumption and production action plans** at national and sub-national levels. Inclusive green economies are defined as low-carbon, resource-efficient and socially inclusive economies that create decent jobs and enhance human well-being. Country assessments, planning and implementation tools and knowledge platforms enable policymakers and businesses to actively pursue inclusive green economy pathways.

In 2016, with our support, ten countries and one region[1] adopted and/or started implementing green economy policies and sustainable consumption and production actions plans, exceeding our target for 2016. This brings the total to **39 countries, nine cities, and one region[2] that have adopted and/or started the implementation of sustainable consumption and production and green economy pathways** since 2011 with our support.

To achieve these results, we delivered the following assessments, tools and services to countries in 2016:

In 2016, the International Resource Panel produced a number of key resource assessments that provide countries with scientific evidence on resource efficiency. The assessments include the following: *Options for Decoupling Economic Growth from Water Use and Water Pollution*[3]; *Unlocking the Sustainable Potential of Land Resources: Evaluation Systems, Strategies and Tools*[4]; *Food Systems and Natural Resources*[5]; and *Global Material Flows and Resource Productivity*[6]. Based on a request from the G7, the Panel also issued a summary report titled *Resource Efficiency: Potential and Economic Implications*[7].

The SWITCH projects have assisted 13 countries[8] to develop Sustainable Consumption and Production Actions plans with nine countries[9] already engaged in their implementation. The Asia-Pacific Region adopted a Sustainable Consumption and Production Roadmap that will guide implementation across the region. Belarus adopted a National Green Economy Action Plan with our support and Cambodia mainstreamed sustainable consumption and production into their environmental code. Mauritius and Mongolia have received support from the Partnership for Action on Green Economy in the formulation and adoption of Green Economy development plans.
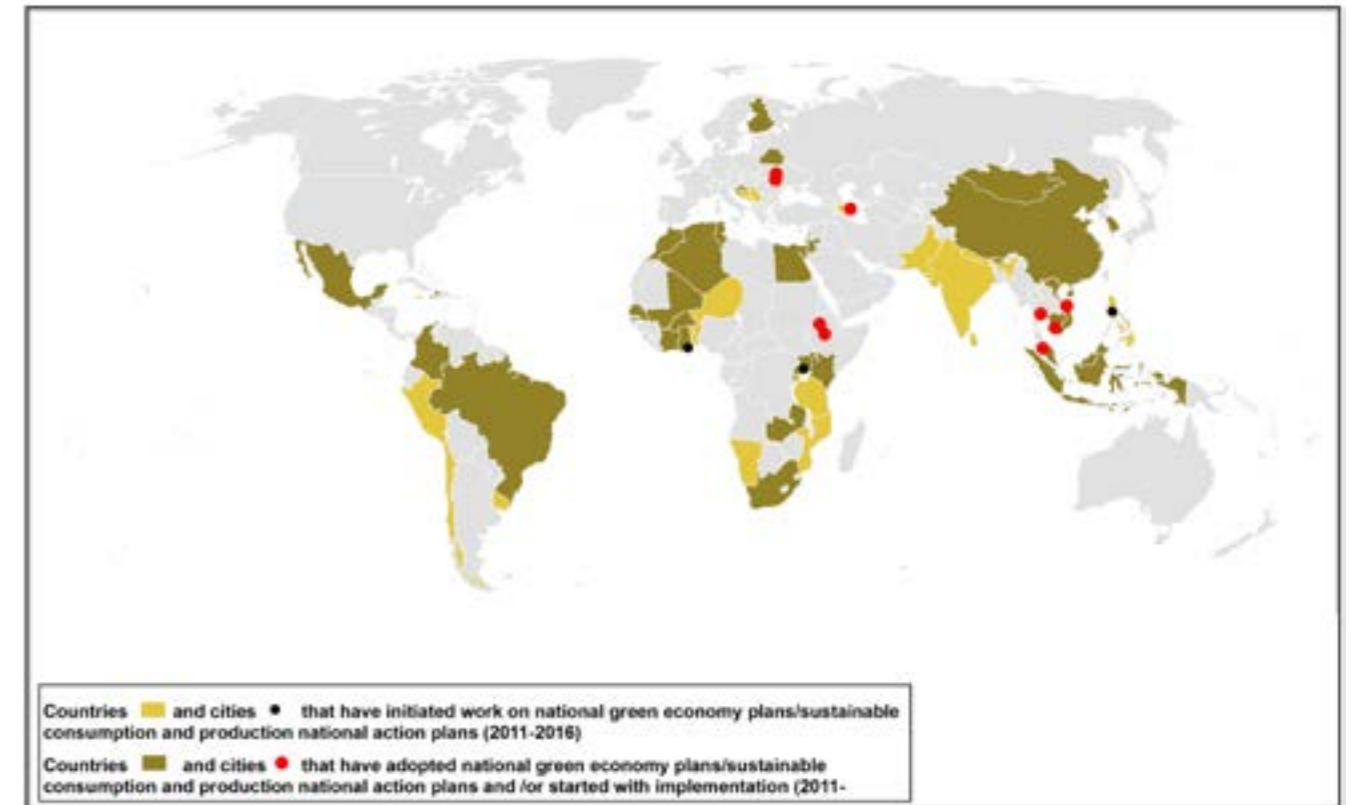

Enabling policy

Countries ▨ and cities ● that have initiated work on national green economy plans/sustainable consumption and production national action plans (2011-2016)

Countries ▨ and cities ● that have adopted national green economy plans/sustainable consumption and production national action plans and /or started with implementation (2011-

More countries and cities adopt policies for Greener Economies

Country/Region	Result
Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine, Tunisia	These countries have adopted Sustainable Consumption and Production National Action Plans (SCP NAP) with our support and that of the EU-funded SWITCH Med Programme.
Cambodia	Cambodia has mainstreamed Sustainable Consumption and Production into its new national environmental law that we supported in collaboration with the UN Development Programme.
Belarus	The National Green Economy Action Plan for the Republic of Belarus (2016-2020) was approved by the Council of Ministers in December 2016, with our support.
Colombia	A National Development Plan with a chapter on green growth has been formulated with our support; it was subsequently adopted.
Asia-Pacific Region	Asia-Pacific countries have adopted a regional Sustainable Consumption and Production Roadmap for 2016-2018.

SECTORS AND SUPPLY

At the core of our work is **the enhancement of the capacity of governments, businesses and other stakeholders to adopt sustainable production and management practices** in global supply chains in the following sectors: **building and construction, food and agriculture, finance and tourism.** In 2016, with our support, 27 countries, institutions and businesses improved management practices or sectoral strategies in these sectors. That brings the total number of stakeholders reporting improved management practices and the use of more resource-efficient tools and instruments in sectoral policies to 249, exceeding the target of 242.

These results were delivered through the use of the following supporting products and services:

The tourism industry was supported with analytical tools to calculate environmental performance through a set of indicators covering water consumption, greenhouse gas emissions, consumption of biological products and waste

More countries and businesses adopt practices to improve Efficiency and Sustainability

Country/City	Sector/Area of support	Result
Egypt, Peru, Viet Nam	Eco-innovation, Small and Medium Enterprises	Eco-innovation was included in national development policies or Sustainable Consumption and Production National Action Plans.
France	Sustainability reporting	France approved legislation for disclosure requirements of certain greenhouse gas emissions.
Morocco (Marrakech)	Tourism	We assisted 10 hotels (Small and Medium Enterprises) to obtain the national eco-tourism certificate.
Various	Eco-innovation	12 companies have implemented new business strategies and business models.
Zambia	Sustainable Buildings and Construction	Sustainable housing guidelines have been approved.

---

1 **Countries:** Algeria, Belarus, Cambodia, Colombia, Egypt, Jordan, Lebanon, Morocco, Palestine, Tunisia. **Regions:** Asia-Pacific 2016-2018 Roadmap on Sustainable Consumption and Production (SCP).
2   **Countries:** Algeria, Barbados, Belarus, Bhutan, Brazil, Burkina Faso, Cambodia, China, Colombia, Cote d'Ivoire, Croatia, Dominica, Egypt, Finland, Ghana, Haiti, Indonesia, Israel, Jordan, Kenya, Lebanon, Malaysia, Mali, Mauritius, Mexico, Moldova, Mongolia, Morocco, Palestine, Republic of Korea, Rwanda, Saint-Lucia, Senegal, Seychelles, South Africa, Tunisia, Uganda, Viet Nam and Zambia; **Cities:** Baku (Icheri Sheher), Azerbaijan; Kampot, Cambodia; Addis Ababa and Bahir Dar, Ethiopia; Eco Town Penang, Malaysia; Balti, Moldova; Pathum Thani, Thailand; Vinnystsia, Ukraine; Da Nang, Viet Nam. **Regions:** Asia-Pacific 2016-2018 Roadmap on Sustainable Consumption and Production (SCP).

3   http://apps.unep.org/publications/index.php?option=com_pub&task=download&file=012014_en
4   http://apps.unep.org/publications/index.php?option=com_pub&task=download&file=012176_en
5   http://apps.unep.org/publications/index.php?option=com_pub&task=download&file=012067_en
6   http://unep.org/documents/irp/16-00271_LW_GlobalMaterialFlowsUNE_SUMMARY_FINAL_160701.pdf
7   http://wedocs.unep.org/bitstream/handle/20.500.11822/7585/G9Resourcereport%20LWRES-3.pdf?sequence=1&isAllowed=y
8   Algeria, Bhutan, China, Egypt, Jordan, Lebanon, Indonesia, Israel, Malaysia, Morocco, Palestine, Tunisia, and Vietnam.
9   Bhutan, China, Egypt, Jordan, Indonesia, Israel, Malaysia, Palestine, and Vietnam.
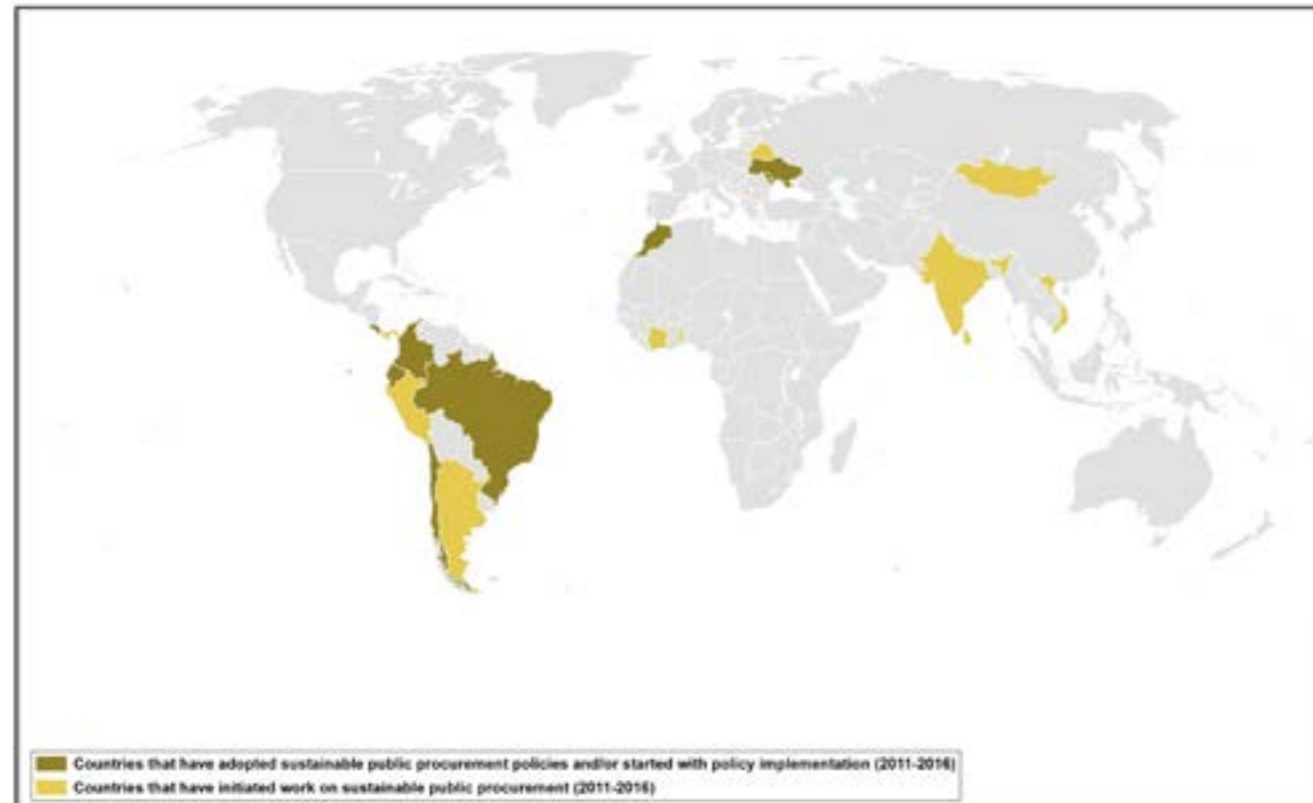
generation. Our eco-innovation methodology enabled companies to adopt new business strategies and business models, as well as implement operational changes that affect their supply chains.

LIFESTYLES AND CONSUMPTION

We aim to provide enabling conditions for the promotion of **sustainable consumption choices and lifestyles.** Progress on this front is demonstrated by the number of public and private sector institutions

that put in place policies and measures that are conducive to more sustainable consumption patterns.Supporting **sustainable public procurement** is one way to stimulate demand for, and supply of, sustainable products. In 2016, we supported five countries[10] on sustainable public procurement. Three of those countries[11] are developing or implementing sustainable public procurement action plans in close coordination with the relevant 10-Year Framework Programme on Sustainable Consumption and Production.

Sustainable public procurement

- Countries that have adopted sustainable public procurement policies and/or started with policy implementation (2011-2016)
- Countries that have initiated work on sustainable public procurement (2011-2016)

Companies increasingly adopt life cycle approaches to improve competitiveness

City, Country	Result
Marrakech, Morocco	A methodology to calculate and communicate the environmental impacts of hotels through a sustainability label that was previously rolled out in France has been successfully applied to 10 pilot hotels in Morocco. These hotels have successfully applied the methodology based on life-cycle principles. They have been certified by the Ministry of Tourism of Morocco.

With our support, ten hotels in Morocco[12] have applied **life cycle-based approaches and tools** to label their enterprises according to their environmental impact. In a next step, these hotels will develop action plans to further improve their sustainability performance.

Education and awareness-raising are important enabling conditions for more sustainable lifestyles. In 2016, we supported activities that catalysed the engagement of six stakeholders in the promotion of sustainable lifestyles, bringing the total to 34 stakeholders, missing the December 2016 target of 38.
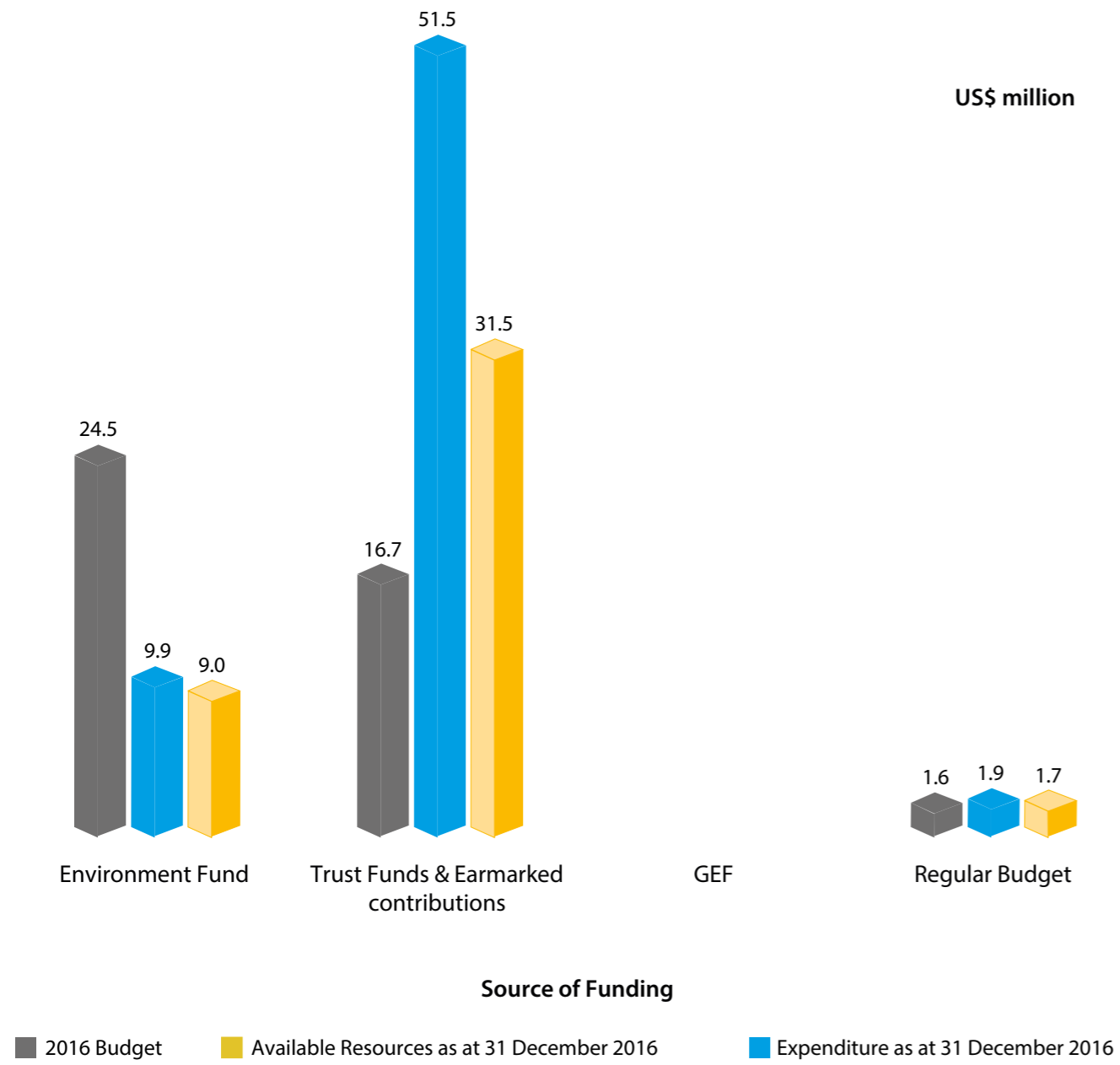
These results were delivered through the use of the following supporting products and services:

We provided analytical tools and methodologies to enable small and medium enterprises in Morocco to measure their environmental impact based on life-

cycle principles. Three countries[13] were provided with policy support and have formulated and adopted sustainable public procurement policies.

---

10 Brazil, Chile, Ecuador, Morocco, and Togo.
11 Brazil, Ecuador, Morocco. (N.B. Please note that Brazil has not been included in the indicator count since the country has already been counted in 2015 for the development of a national life-cycle-assessment database, i.e. an activity that is also captured under this indicator. Hence, only Ecuador and Morocco have been included in the indicator count.)

---

12 Please note that the ten hotels have also been counted against indicator EA b) since they not only adopted more sustainable management practices but also applied the life-cycle approach to their sustainability reporting. This result emerged from collaboration between the sustainable tourism project and the life-cycle project/ initiative that aims to mainstream life-cycle thinking and approaches throughout our projects.

---

13 Brazil, Ecuador, and Morocco.

US$ million

51.5

31.5

24.5

16.7

9.9 9.0

1.6 1.9 1.7

Environment Fund

Trust Funds & Earmarked contributions

GEF

Regular Budget

Source of Funding

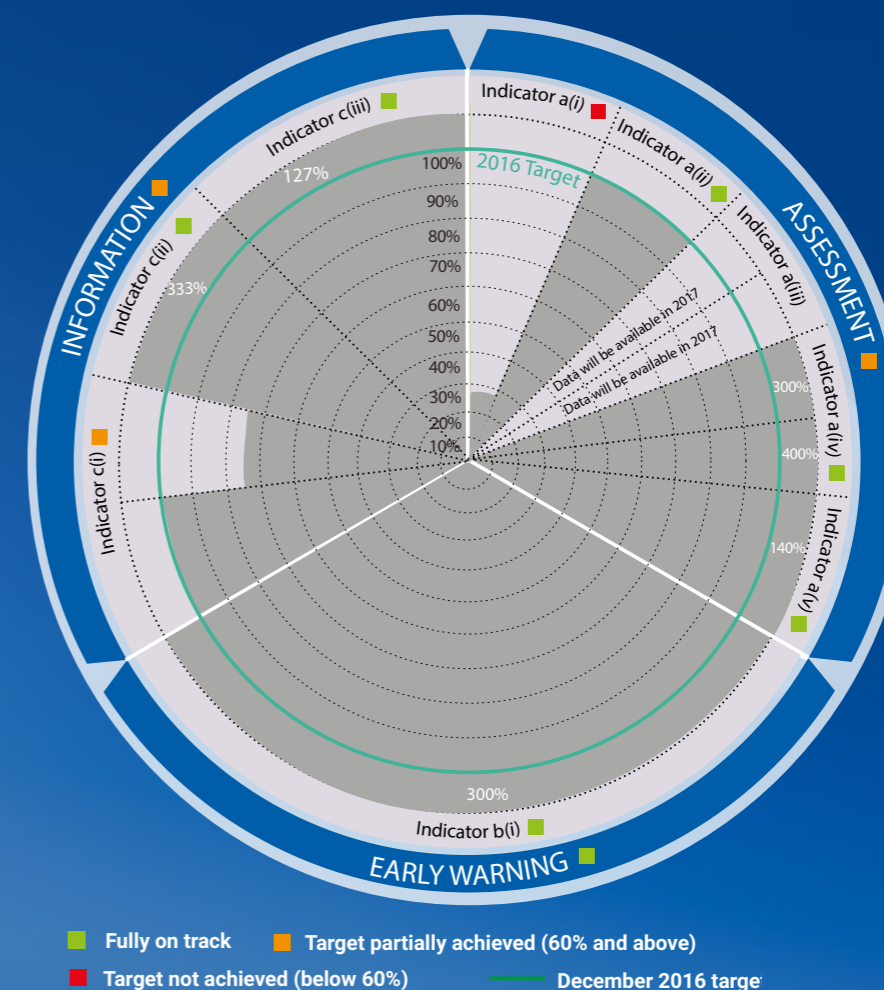■ 2016 Budget   ■ Available Resources as at 31 December 2016   ■ Expenditure as at 31 December 2016

ENVIRONMENT UNDER REVIEW

In our work to keep the environment under review, we focus on bridging the gap between the producers and users of environmental information, so that science can be better linked with policies. We provide results in the following areas:

- **Assessments**, where we support global, regional and national policy-making using environmental information accessible on open platforms;

- **Early warning**, where we provide planning authorities with information on emerging environmental issues of global importance early warning systems; and

- **Information management,** where we strengthen the capacity of countries to generate, access, analyze, use and communicate environmental information and knowledge.

We met some but not all of our 2016 targets for these activities. We are progressing with the Global Environment Outlook, identifying emerging issues and improving access to information and knowledge. However, we need to establish a robust approach whereby all UN agencies, countries and partners document how they are using this knowledge.

■ **Fully on track**   ■ **Target partially achieved (60% and above)**

■ **Target not achieved (below 60%)**   —— **December 2016 target**

INDICATORS OF ACHIEVEMENT

ASSESSMENT

(a) i)   Increase in the number of United Nations agencies and multilateral environmental agreements using data on environmental trends, identified through UNEP, to influence their policy

(a)(ii)   Increase in the number of relevant global, regional and national forums and institutions using data on environmental trends identified through UNEP to influence their policy

(a)(iii)   Level of accessibility and ease of use of UNEP environmental information through open platforms measured against internationally recognized standards for open access to information
- Percentage improvement in the level of accessibility measured by usability tests
- Percentage of surveyed users that are satisfied with the information available on the open platform

(a)(iv)   Increase in the number of United Nations inter agency initiatives and external partnerships catalysed by UNEP that contribute scientifically credible and policy-relevant environmental data and indicators to UNEP assessment processes
- Number of United Nations agencies that have contributed scientifically credible and policy-relevant environmental data and indicators to UNEP assessment processes
- Number of United Nations agencies and secretariats of multilateral environmental agreements that have linked their data and information systems to UNEP Live

(a)(v)   Number of partnerships between UNEP and external partners that have contributed scientifically credible and policy-relevant environmental data and indicators to UNEP assessment processes

EARLY WARNING

(b) i)   Increase in the number of stakeholders surveyed that acknowledge the uptake in assessment and policy development processes of scenarios and early warning on emerging environmental issues identified by UNEP

INFORMATION

(c) i)   Increase in the number of countries that take the lead in generating, analysing, managing and using environmental information in comparable formats and with a focus on gender-sensitive tools, and making the information and knowledge available to the public and policy makers, as a result of UNEP intervention
- Number of countries developing information systems and documents/reports that include analysed data and information having their origins in UNEP outputs and processes (e.g., citations in documents such as green economy transition plans, climate change and disaster risk reduction action plans
- Number of countries making available environmentally relevant gender disaggregated data

(c) ii)   Increase in the number of countries making available credible nationally generated data and access to country-specific environmental information in comparable formats available on public platforms

(c) iii)   Increased number of major groups and stakeholders surveyed that acknowledge their involvement in the generation, access to and use of environmental information available on public platforms

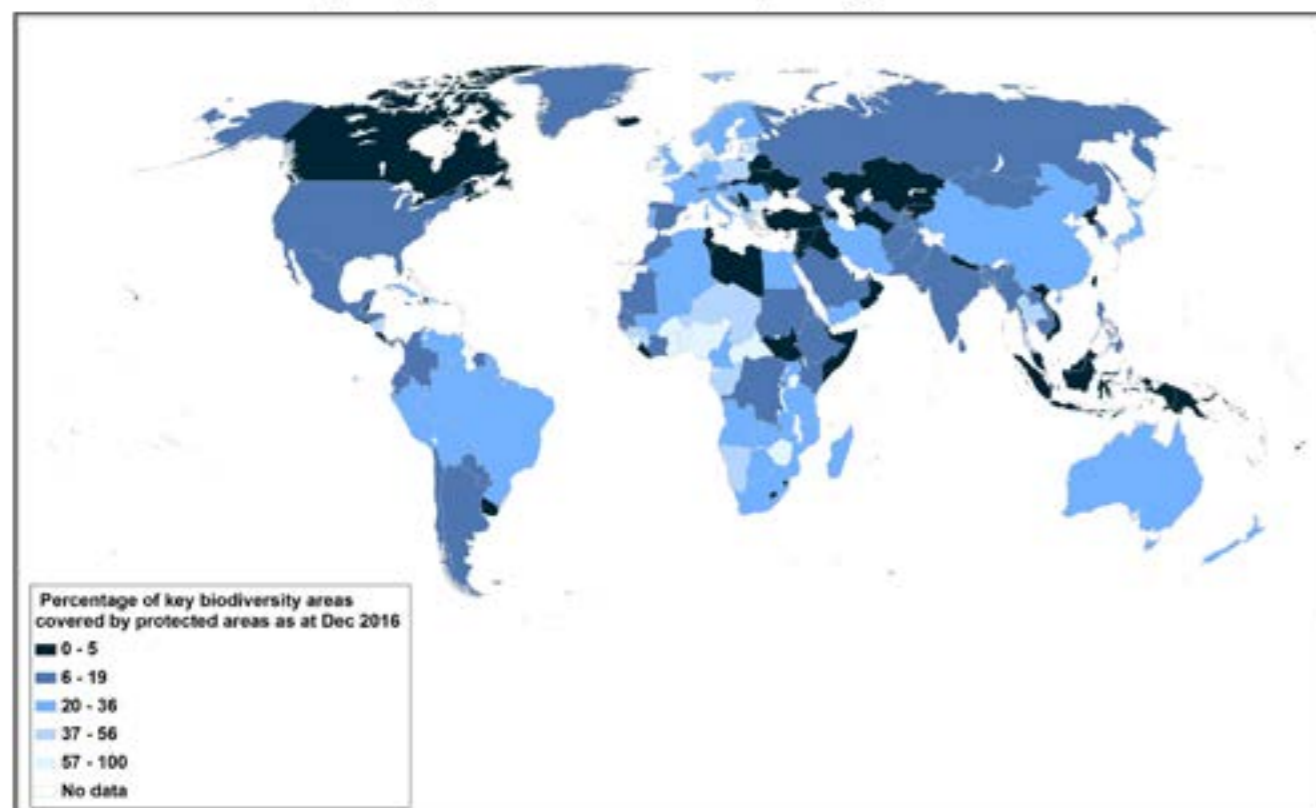# ASSESSMENT, EARLY WARNING AND INFORMATION MANAGEMENT

At the beginning of 2016, the whole world began implementing the 2030 Agenda for Sustainable Development. As mandated in the UN Environment Assembly Resolution 2/5 [http://web.unep.org/unea/list-resolutions-adopted-unea-2], we are fully engaged in this global effort. We are now deeply involved in generating data and statistics for monitoring progress[1] and have become the **custodian agency for 26 of the Sustainable Development Goals indicators**. We were also heavily involved in the

preparation of the UN Secretary-General's annual report to the High-level Political Forum.

Many countries face a tremendous challenge in meeting the data requirements for the Sustainable Development Goals. For some indicators global data flows already exist, but for others methodologies have yet to be developed and tested. We are helping countries identify areas where they are already tracking progress for another purpose, such as a multilateral environmental agreement. For instance, the data on protected area coverage collected for the Aichi Targets under the Convention for Biological Diversity help to track progress on Sustainable Development Goal 14. In Environment Live, we show the many relationships and synergies between the new Goals and existing agreements.[2]

UN Environment strengthens monitoring and reporting on the environmental dimension of the Sustainable Development Goals

Countries reporting on sustainable development goal indicator 15.1.2

Percentage of key biodiversity areas covered by protected areas as at Dec 2016
- 0 - 5
- 6 - 19
- 20 - 36
- 37 - 56
- 57 - 100
- No data

Collect data once, and use it for multiple purposes: environment live visualizes the synergies between goals, targets and indicators for multilateral agreements and Sustainable Development Goals

Environment Live contains over 900 indicators and a similar number of maps. For 104 countries, we have environmental data that are disaggregated by gender. Environment Live is now valued as a global knowledge-sharing platform by many, including, for example, by the 8th Environment for Europe Ministerial Conference in Georgia, June 2016.

To strengthen national reporting systems,[3] we have **joined up with the UN Statistics Division, the UN regional economic commissions and key UN entities.** Our joint work focuses on developing the capacity to deliver environmental statistics and report on the Sustainable Development Goals. In 2016, four more countries began using our tools for data collection, sharing and reporting, thus helping us to meet our 2016 indicator target for information capacity development.

---

1 More information about the SDG indicators can be found on Environment Live (uneplive.unep.org/projects).

2 Previously known as UNEP Live (available at http://uneplive.unep.org/projects).

3 Supported to a large extent by the European Commission and the Global Environment Facility

The Global Environment Outlook Regional Assessments

We launched six regional Global Environment Outlooks and the first Global Gender and Environment Outlook at the 2016 UN Environment Assembly. Together these provide not only an assessment of the state of the environment but also a perspective on the importance of the social aspects of the environmental dimension of the 2030 Agenda. More than 550 major media articles in 11 languages appeared on the topics in some 54 countries.

The regional assessments are the building blocks for the global assessment to be delivered at the 4th UN Environment Assembly in 2019. A progress report and information are being prepared to underpin the 3rd UN Environment Assembly.

We measure the utility of our assessments and data through the number of institutions and political fora and processes using them in their policy and decision-making. Our 2016 target to influence 15 additional UN agencies or multilateral environmental agreements with information from our outlooks has not yet been met, but we anticipate that relevant parties will be able to provide examples and further evidence of this. Going forward, we will need to put in place a more structured process to track the impacts of providing data and information on the environment.

Seven additional partnerships contributed data and indicators to our assessment processes, thus exceeding the December 2016 target. Our work on

To support countries and stakeholders in using data on environmental issues and trends, we provided the following products and services in 2016:
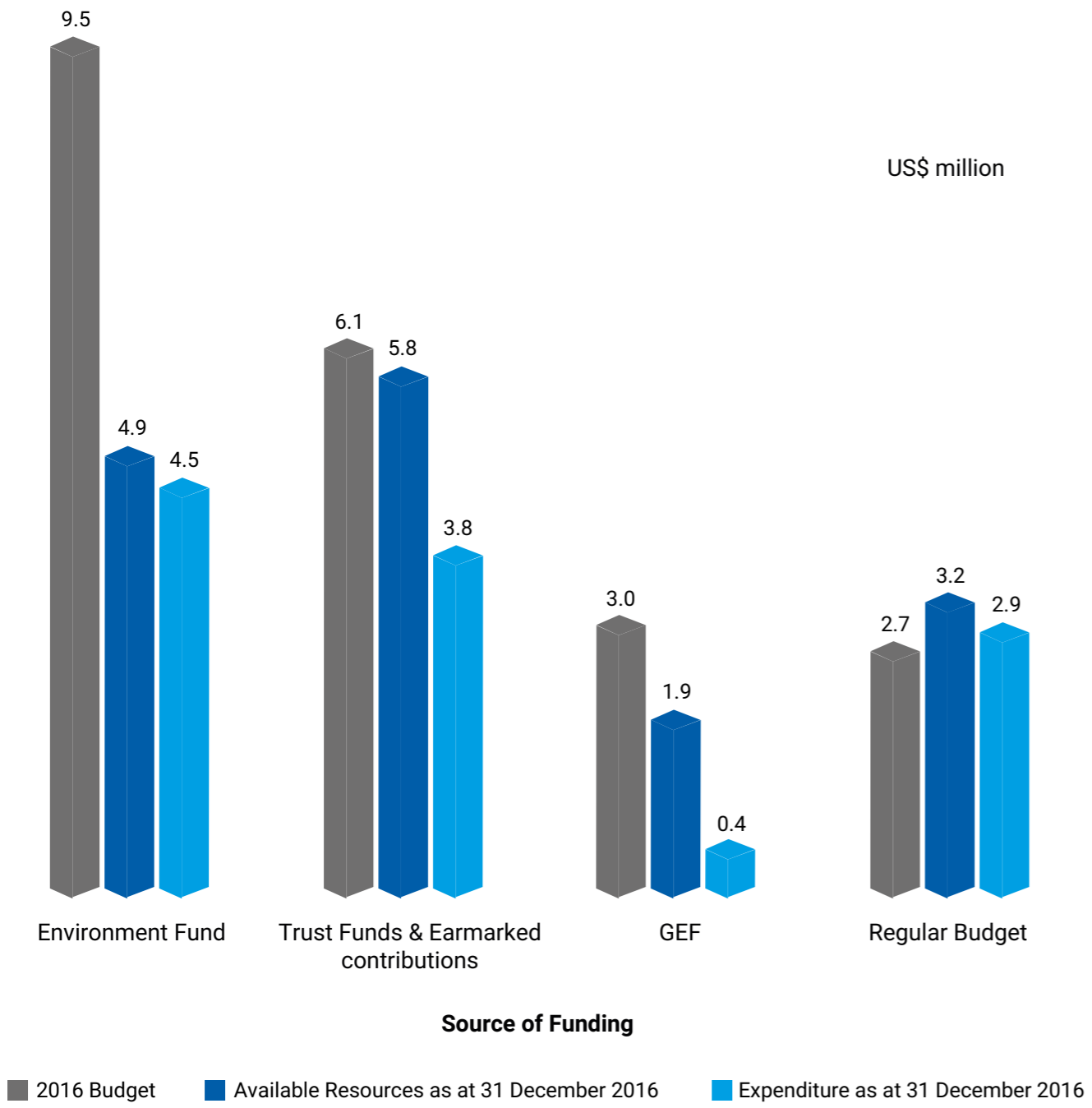
- Six Global Environment Outlook regional assessments delivered at the 2nd UN Environment Assembly.

- Environment Live, the organization's open online platform, was expanded and redesigned to improve people's access to environmental data and information.

- Assessments were published on sand and dust storms, Ugandan wetlands, African mountains, Kubuqi land degradation and desertification, emerging issues, gender and environment, emissions gap for climate change mitigation, transboundary waters, and loss and damage to ecosystems caused by climate change.

- Technical support was provided to countries on data and environmental reporting, demonstrating the use of the Indicator Reporting Information System and Environment Live.[5]

- An air quality monitoring network was piloted in Nairobi, Kenya.

- Major groups and stakeholders were included in all major assessment processes.

emerging environmental issues, communicated through the new Frontiers series, enabled stakeholders to consider these issues in their own processes. The global sand and dust storm assessment prepared for the 2nd UN Environment Assembly was used in consultations prior to the UN General Assembly;[4] some countries have since used the assessment in their decision-making.

We sent stakeholders a follow-up questionnaire on their involvement and access to environmental information to better understands their views and ideas for improvement. Nearly half (49 per cent) confirmed that they had accessed environmental information generated by UN Environment to a large or very large extent. The information was mainly used for education, as guidance, and to conduct analyses. In over 40 per cent of cases, stakeholders used the information to influence policy. Making information more accessible online will further enhance stakeholder engagement and the level of influence.

In summary, we are progressing with the Global Environment Outlook, a range of thematic assessments, delivering environmental indicators, and improving access to data and knowledge through Environment Live. At the same time, we are enabling more UN entities and other partners to use this information, but this needs to be better documented. We need to inspire everyone, including countries, citizens, and the private sector to participate in generating information, sharing their knowledge through open platforms, such as Environment Live, and using it to bring about social, economic and environmental benefits. We are therefore seeking champions among our Member States and other stakeholders, including data philanthropists, who can provide leadership in this new world of data sharing.

4   GA71

US$ million

9.5

6.1
5.8

4.9
4.5

3.8

3.0

2.7
3.2
2.9

1.9

0.4

Environment Fund   Trust Funds & Earmarked   GEF   Regular Budget
contributions

Source of Funding

■ 2016 Budget   ■ Available Resources as at 31 December 2016   ■ Expenditure as at 31 December 2016

FINANCIAL OVERVIEW

UN Environment's projected overall budget for the 2016-2017 biennium was $683.6 million. This budget comprises the Environment Fund, Trust Funds and Earmarked Contributions, the Global Environment Facility, the Regular Budget of the UN, including UNSCEAR and UN Development Account allocations, and Programme Support Costs.

The 2016 available resources for all funding sources amounted to $773.8 million, in comparison to the budgeted amount for the year of $338.8 million[1]. It is important to understand what is meant by "available resources" under the UN Secretariat-wide new Enterprise Resource Planning (ERP) system, Umoja. Available resources for the Environment Fund, Regular Budget and Programme Support Costs are annual allocations. This is not the case for multi-year funding categories. Under Umoja, Trust Funds and Earmarked Contributions and GEF trust funds are set up as multi-year funds that do not have a fiscal year dimension to allow reporting their annual or biennial budgetary allocation. On the contrary, reporting on these funds occurs when they have been expended.

Moreover, the funds become available for spending when relevant donor agreements are signed and the cash received.

Similarly, "available resources" for multi-year funds categories reflect unspent balances from the prior year (i.e., 2015), as well as additional funds released in 2016 that are not necessarily to be spent in 2016. When donors contribute funds for multiple years, IPSAS, the accounting standards the UN uses, recognizes multi-year contribution as income in the year when the pledge is made.

Therefore, for those multi-year funds, the annualized budget figures (e.g. the "2016 Budget" numbers) reflect the amounts in the Programme of Work and Budget while the "available resources" reflect amounts to be spent in multiple fiscal years. Consequently, the actual annual figures are better understood by examining expenditures. However, "expenditures" of multi-year funds also include commitments (obligations entered into accounts) for future years. In contrast, the available resources

UN Environment's available resources in 2016 were higher than the projected budget

Bar chart titled with y-axis "US$ million" ranging from 0 to 900:
- 2016 Budget: 339
- Available resources as at December 2016: 774
- Income: 465
- Expenditures as at December 2016: 511

---

1   The 2016 annual budget is calculated as 50% of the approved 2016-2017 Programme of Work and Budget, but adjusted due to a variance in the actual UN Regular Budget provision.

for the Environment Fund, Regular Budget and Programme Support Account reflect the actual resources available to spend in the fiscal year in question. These variances are inevitable, given UN Environment's complex funding sources and accounting rules.
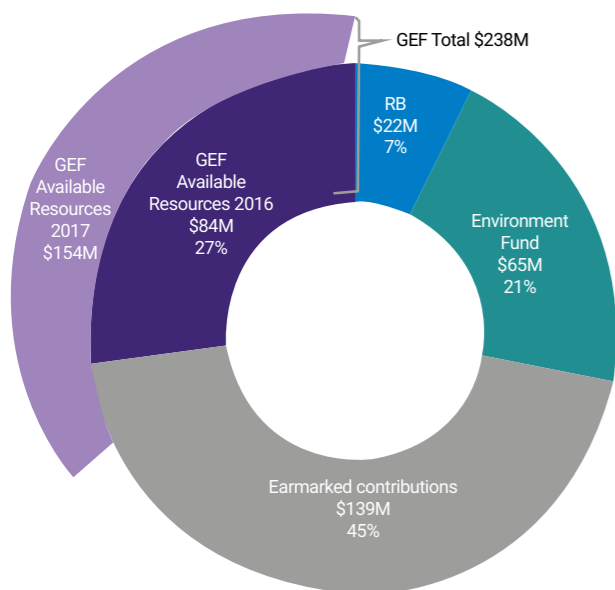
Overall UN Environment's expenditure level was 150% more than the budgeted amount owing to higher amounts of available resources. There were, however, large variances in terms of funding sources and between subprogrammes.

INCOME ANALYSIS

The UN Environment received $464.9 million for 2016 and future years against the annual budget of $338.8 million. Three sources of income support of the implementation of the Programme of Work directly: 1) the UN Regular Budget, including the UN Development Account, which supports the core functions of the Secretariat including servicing of the Governing Bodies, 2) the Environment Fund, which is the foundation that enables UN Environment to implement its global and regional work across all areas of the programme and address emerging issues, and 3) Earmarked Contributions, which complement the core funding in the delivery of the programme. The Global Environment Facility (GEF) is the largest financial partner of UN Environment that funds activities aligned with the Programme of Work.

The UN Regular Budget and the Environment Fund together form the core of the organisation's funding and amounted to 28% of the total funding available in 2016. The Environment Fund received just under 50% of the approved budget of $135.5 million from

Earmarked funding constitutes majority of income for UN Environment

86 out of the 193 Member States. The earmarked contributions in direct support to programme amounted to $138.7 million or 45% of the funds available. This is higher than the projected budget of $101 million. The Global Environment Facility provided $238.5 million in revenue through letters of commitment for 2016 and future years. Out of this, $84 million was available for project implementation, or 27% of the total funding available in 2016.

Secure and Stable

Secure and stable funding is prerequisite for developing and delivering a results-based Programme of Work and budget. In an organization that is over 95% voluntarily funded, security and stability depends on a broad range of consistent donors who make regular and early contributions and, preferably also multi-year commitments. The Member States are the owners of the organization and are responsible for ensuring that the decisions of the UN Environment Assembly are adequately resourced.

Despite calls for broadening the donor base, the top 15 donors still contributed around 90% of the total Environment Fund income and only 45% of Member States made contributions to the Environment Fund in 2016, which is consistent with previous years. However, the income was lower by 17% due to exchange rate losses and cuts in contributions from a few contributors within the top 15. Donors leading the way for multi-year contributions include Canada, China, the Netherlands, Norway and Sweden, with commitments amounting to $25.1 million for the year 2016 alone. Tightly earmarked funding generally provides little lead time for planning and implementation. In contrast, the stability of GEF project funding is built into an 18-month lead period from the approval of the project concept to the start of implementation.

Adequate and Increased

Adequate and increased funding is measured by actual resources received against the annual budgets. The unearmarked funding through the Environment Fund is particularly important for the balanced delivery of the programme as it enables a flexible allocation of funds based on need, while earmarked funding prioritizes only some aspects of the programme over others. Increased core funding also supports innovative, groundbreaking initiatives that address emerging needs and can be scaled up for maximum results. The balance between core and complementary resources is hence critical and still continues to be a challenge. It is therefore much appreciated that 30 Member States increased their contributions to the Environment Fund in 2016.

It is necessary that all Member States share the responsibility to provide resources commensurate to

the magnitude of today's environmental challenges that they have collectively decided to address through UN Environment.

EXPENDITURE ANALYSIS

Total expenditure for 2016 was $511 million. The available resources in the Global Environment Facility (GEF), other Trust Funds and Earmarked contributions continue to be much higher than in the projected budget. This is partly because, as outlined in the previous section, the available resources captured in Umoja may relate to multi-year contributions but partly because UN Environment continues to demonstrate its strength in attracting earmarked funding. Thus, multi-year contributions received in 2015 and prior to that, enabled the organization to have more resources available to use in 2016, and a higher expenditure than the projected budget for the year. However, with earmarked funding at levels so much higher than our non-earmarked biennial funds (Environment Fund, Regular Budget of the UN, and Programme Support Account), the emphasis of UN Environment's work risks moving out of alignment with the multilaterally-agreed priorities.

The General Assembly approved a contribution from the Regular Budget of the UN to UN Environment of $35.3 million for the biannium 2016-2017 ($17.6 million annually). Included in this budget is the approval of 21 additional positions deployed to six regional offices. In addition, UN Environment received an allocation of $2.3 million from UN Development Account. UN Regular Budget funds the total of 114 positions of UN Environment

and since the vacancy rate was kept low UN Headquarters issued an advance allotment of $4.1 million (from 2017), hence the overall available resource was $24.1 million. UN Environment spent $21.9 million , or 90% of the allocated.
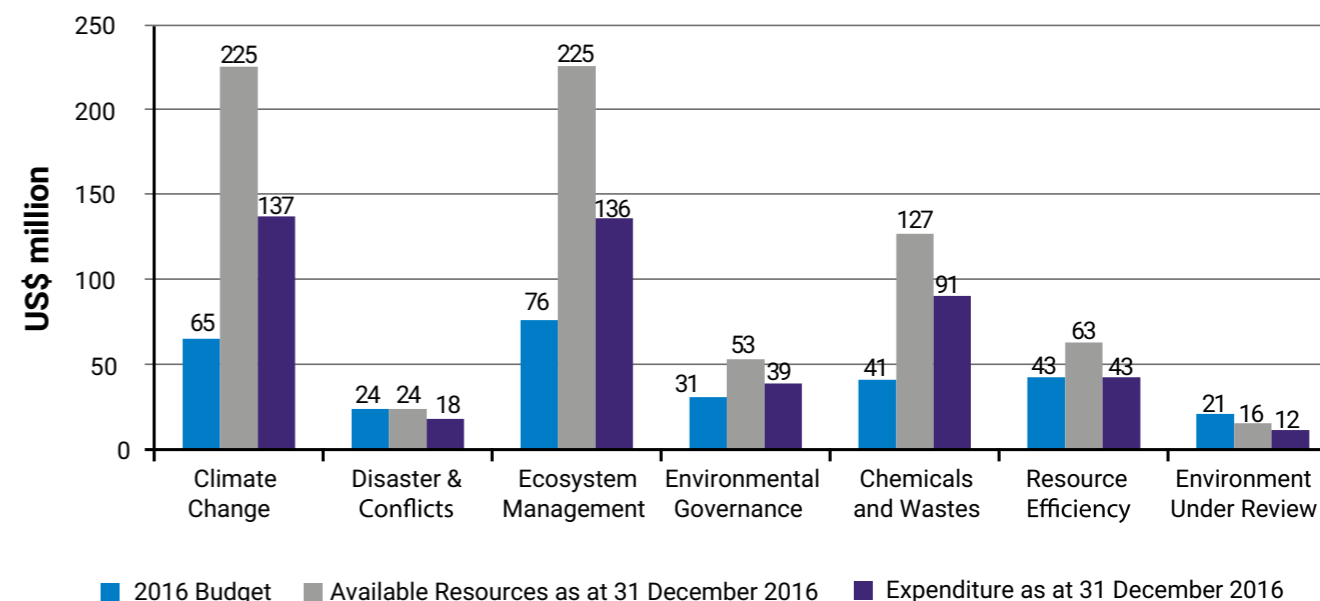
On the Environment Fund, the estimated income for 2016 was $67.9 million of which $67 million was allocated across sub-programmes, Executive Direction and Management and programme support. The total expenditure for the year was $64 million on core capacity and general operating expenses for implementation of the programme. While this amount is lower than the original allocation it was in line with the lower level of income actually realized.

UN Environment is tracking the amount it is spending on posts versus on activities. The aim is to ensure that relatively more funding is allocated for activities versus staff costs. In particular, for the Environment Fund, the organization aims at ensuring that its post costs for the biennium 2016-2017 does not exceed US$122 million, equivalent to US$61 million for the year 2016. Post costs in the Environment Fund for 2016 stood at US$ 48 million.

Overcoming Challenges

Managing the Umoja transition is still a work in progress, but we have had tangible successes. For example, producing donor reports in accordance with the required format was a challenge at the onset of Umoja, as the data had to come from two different systems with different dimensions. As UN Environment has overcome the learning curve, we have been able to set up the data in Umoja to suit reporting requirements.

Most areas of UN Environment work received more funding than projected budgets because of earmarked funding

Overall, however, while UN Environment has come a long way in adjusting to Umoja, we still grapple with the challenge of moving into a new operational model with many new (and still only foreseen) globalized operations and standardized processes. UN Environment seeks to leverage the opportunities presented by Umoja as we continue to adjust to these policies and procedures.