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**Governing Council
of the United Nations
Environment Programme**

**Twenty-seventh session of the Governing Council/
Global Ministerial Environment Forum**
Nairobi, 18–22 February 2013
Item 6 of the provisional agenda*

**Budget and programme of work for the
biennium 2014-2015 and the Environment Fund
and other budgetary matters**

Management of trust funds and earmarked contributions

Report of the Executive Director

Summary

The present report is being submitted to the Governing Council/Global Ministerial Environment Forum at its twenty-seventh session to provide information and suggested action on the management of the trust funds and earmarked contributions that support the programme of work of the United Nations Environment Programme.

* UNEP/GC.27/1.

I. Suggested action by the Governing Council

1. The Governing Council may wish to adopt a decision along the lines suggested below:

27/[...]: Management of trust funds and earmarked contributions

The Governing Council,

Having considered the report of the Executive Director on the management of trust funds,

I

Trust Funds in support of the programme of work of the United Nations Environment Programme

1. *Notes and approves* the establishment of the following trust funds since the twenty-sixth session of the Governing Council:

A. General trust funds

(a) CAP: Trust Fund for the Core Budget of the Framework Convention on the Protection and Sustainable Development of the Carpathians and related Protocols, which was established in 2012 with an expiry date of December 2014;

(b) SLP: Trust Fund to Support the Activities of the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants, which was established in 2012 with an expiry date of 31 December 2017;

B. Technical cooperation trust funds

(c) AFB: Technical Cooperation Trust Fund for UNEP Activities as Multilateral Implementing Entity of the Adaptation Fund Board, which was established in 2011 with an expiry date of 31 December 2014;

(d) ECL: Technical Cooperation Trust Fund to Support the Achievement of Contribution Agreement No. 21.0401/2011/608174/SUB/E2, Strategic Cooperation Agreement between the European Commission Directorate-General for the Environment and UNEP (covering environment and sustainable management of natural resources, including energy, priority 3.1, "Strengthening environmental governance"), which was established in 2011 with an expiry date of 31 December 2018;

(e) EAP: Multi-donor Technical Cooperation Trust Fund for the Implementation of the African Elephant Action Plan, which was established in 2011 with no expiry date;

(f) EUL: Technical Cooperation Trust Fund to Support the Achievement of Contribution Agreement No. DCI-ENV/2010/258-800, Strategic Cooperation Agreement between the European Commission Directorate-General for Development and Cooperation and UNEP (covering environment and sustainable management of natural resources, including energy, priorities 1, 2 and 3.3, "Support for mainstreaming", which was established in 2011 with an expiry date of 5 December 2020;

(g) NPL: Technical Cooperation Trust Fund for the Management of UNEP/Global Environment Facility Nagoya Protocol Implementation Fund, which was established in 2011 with no expiry date;

(h) SCP: Technical Cooperation Trust Fund for the Ten-year Framework of Programmes on Sustainable Consumption and Production Patterns, which was established in 2012 with an expiry date of 23 January 2023;

2. *Approves* the extension of the following trust funds, subject to the Executive Director of the United Nations Environment Programme receiving requests to do so from the relevant Governments or donors:

C. General trust funds

(a) AML: General Trust Fund for the African Ministerial Conference on the Environment, which is extended up to and including 31 December 2015;

(b) CAP: Trust Fund for the Core Budget of the Framework Convention on the Protection and Sustainable Development of the Carpathians and related Protocols, which is extended up to and including 31 December 2015;

(c) CWL: General Trust Fund for the African Ministers' Council on Water, which is extended up to and including 31 December 2015;

(d) MCL: General Trust Fund in Support of Activities on Mercury and its Compounds, which is extended up to and including 31 December 2015;

(e) SML: General Trust Fund for the Strategic Approach to International Chemicals Management Quick Start Programme, which is extended up to and including 31 December 2015;

(f) WPL: General Trust Fund to Provide Support to the Global Environment Monitoring System/Water Programme Office and to Promote its Activities, which is extended up to and including 31 December 2015;

D. Technical cooperation trust funds

(g) AFB: Technical Cooperation Trust Fund for UNEP Activities as Multilateral Implementing Entity of the Adaptation Fund Board, which is extended through 31 December 2015;

(h) BPL: Technical Cooperation Trust Fund for the Implementation of the Agreement with Belgium (financed by the Government of Belgium), which is extended up to and including 31 December 2015;

(i) ESS: Technical Cooperation Trust Fund for UNEP Implementation of Ecosystem-based Adaptation, which is extended up to and including 31 December 2018;

(j) CIL: Technical Cooperation Trust Fund to Support the Implementation of the Strategic Plan for Remediation Activities Following the Toxic Waste Incident in Abidjan, which is extended up to and including 31 December 2015;

(k) GNL: Technical Cooperation Trust Fund in support of the Coordination Office of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (financed by the Government of the Netherlands), which is extended up to and including 31 December 2015;

(l) IAL: Technical Cooperation Trust Fund for Ireland Aid Multilateral Environment Fund for Africa (financed by the Government of Ireland), which is extended through 31 December 2015;

(m) IEL: Technical Cooperation Trust Fund for Priority Projects to Improve the Environment in the Democratic People's Republic of Korea (financed by the Republic of Korea), which is extended up to and including 31 December 2015;

(n) MDL: Technical Cooperation Trust Fund for UNEP Implementation of the Millennium Development Goals Achievement Fund, which is extended up to and including 31 December 2015;

(o) REL: Technical Cooperation Trust Fund for the Promotion of Renewable Energy in the Mediterranean Region (financed by the Government of Italy), which is extended up to and including 31 December 2015;

(p) SEL: Technical Cooperation Trust Fund for the Implementation of the Agreement with Sweden, which is extended up to and including 31 December 2015;

(q) SFL: Technical Cooperation Trust Fund for the Implementation of the Framework Agreement between Spain and UNEP, which is extended up to and including 31 December 2015;

II

Trust Funds in support of regional seas programmes, conventions, protocols and special funds

3. *Approves* the extension of the following trust funds subject to the Executive Director of the United Nations Environment Programme receiving requests to do so from the relevant Governments or contracting parties:

A. General trust funds

(a) AVL: General Trust Fund for Voluntary Contribution in respect of the Agreement on the Conservation of African-Eurasian Migratory Waterbirds, which is extended up to and including 31 December 2017;

- (b) AWL: General Trust Fund for the African-Eurasian Waterbirds Agreement, which is extended up to and including 31 December 2017;
- (c) BAL: General Trust Fund for the Conservation of Small Cetaceans of the Baltics, North-East Atlantic, Irish and North Seas, which is extended up to and including 31 December 2017;
- (d) BCL: Trust Fund for the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, which is extended up to and including 31 December 2017;
- (e) BDL: Trust Fund to Assist Developing Countries and Other Countries in Need of Technical Assistance in the Implementation of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, which is extended up to and including 31 December 2017;
- (f) BEL: General Trust Fund for Additional Voluntary Contributions in Support of Approved Activities under the Convention on Biological Diversity, which is extended up to and including 31 December 2015;
- (g) BGL: General Trust Fund for the Core Programme Budget for the Biosafety Protocol, which is extended up to and including 31 December 2015;
- (h) BHL: Special Voluntary Trust Fund for Additional Voluntary Contributions in Support of Approved Activities of the Biosafety Protocol, which is extended up to and including 31 December 2015;
- (i) BYL: General Trust Fund for the Convention on Biological Diversity, which is extended up to and including 31 December 2015;
- (j) BZL: General Trust Fund for Voluntary Contributions to Facilitate the Participation of Parties in the Process of the Convention on Biological Diversity, which is extended up to and including 31 December 2015;
- (k) CRL: Regional Trust Fund for the Implementation of the Action Plan for the Caribbean Environment Programme, which is extended up to and including 31 December 2015;
- (l) CTL: Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora, which is extended up to and including 31 December 2017;
- (m) EAL: Regional Seas Trust Fund for the Eastern African Region, which is extended up to and including 31 December 2015;
- (n) ESL: Regional Trust Fund for the Implementation of the Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of East Asian Seas, which is extended up to and including 31 December 2015;
- (o) MEL: Trust Fund for the Protection of the Mediterranean Sea against Pollution, which is extended up to and including 31 December 2015;
- (p) MSL: Trust Fund for the Convention on Conservation of Migratory Species of Wild Animals, which is extended up to and including 31 December 2015;
- (q) MVL: General Trust Fund for Voluntary Contributions in Support of the Convention on the Conservation of Migratory Species of Wild Animals, which is extended up to and including 31 December 2015;
- (r) PNL: General Trust Fund for the Protection, Management and Development of the Coastal and Marine Environment and the Resources of the Northwest Pacific Region, which is extended up to and including 31 December 2015;
- (s) ROL: General Trust Fund for the Operational Budget of the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, which is extended up to and including 31 December 2015;
- (t) WAL: Trust Fund for the Protection and Development of the Marine Environment and Coastal Areas of West and Central African Region, which is extended up to and including 31 December 2015;

B. Technical cooperation trust funds

- (a) BIL: Special Voluntary Trust Fund for Voluntary Contributions to Facilitate the Participation of Parties, in particular the Least Developed and the Small Island Developing States

among them, and Parties with Economies in Transition (Biosafety Protocol), which is extended up to and including 31 December 2015;

(b) RVL: Special Trust Fund for the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, which is extended up to and including 31 December 2015;

(c) VBL: Voluntary Trust Fund to facilitate the Participation of Indigenous and Local Communities in the work of the Convention on Biological Diversity, which is extended up to and including 31 December 2015.

II. Management of trust funds

2. The present section describes the various actions that the Executive Director has taken and intends to take with regard to the trust funds managed by the United Nations Environment Programme. It also sets out the actual expenditures of the trust funds for the biennium 2010–2011, the revised estimated expenditures for the biennium 2012–2013 and the projected expenditures for the biennium 2014–2015.

A. Background

3. The United Nations system has two types of trust fund, namely, technical cooperation trust funds and general trust funds. Technical cooperation trust funds are those that provide economic and social development assistance to developing countries. In UNEP this category includes the trust funds that finance the employment of Junior Professional Officers and Senior Programme Officers. The general trust funds support activities other than those of an exclusively technical cooperation nature.

B. Trust funds

4. In addition, UNEP distinguishes between the following categories of trust fund:

- (a) Those that provide direct support to the UNEP programme of work;
- (b) Those that provide support to UNEP-administered conventions, protocols and regional seas programmes;
- (c) Those belonging to the special category of activities supported by UNEP.

5. As at 31 October 2012, there were 97 active trust funds, distributed as shown in table 1.

Table 1

Active trust funds as of 31 October 2012

<i>Description</i>	<i>General trust funds</i>	<i>Technical cooperation trust funds (general)</i>	<i>Technical cooperation trust funds (personnel)</i>	<i>Total</i>
Direct support for UNEP programme of work	16	25	16	57
Support to conventions, regional seas programmes and protocols	31	3	-	34
Special category of trust funds	-	6	-	6
Total	47	34	16	97

6. The special trust fund category includes the Trust Fund for the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer. UNEP acts as the treasurer to the Multilateral Fund and accounts for the receipt and disbursement of resources (which include promissory notes). UNEP is also one of the implementing agencies of the Multilateral Fund programme and has established a separate trust fund, the Technical Cooperation Trust Fund for UNEP Implementation of the Multilateral Fund Activities. Trust funds funded by the Global Environment Facility (GEF) and related to the programme funded principally by it, for which UNEP is an implementing agency, also fall under this category. The technical Cooperation Trust Fund for the Global Environment Facility is the main trust fund for implementation by UNEP of the GEF programme. Other funds in this category include the Technical Cooperation Trust Fund for the management of the UNEP/GEF National Adaptation Programme of Action for the Least Developed Countries; the Technical Cooperation Trust Fund for the Fee-based Programme of the Global Environment Facility for the provision of administrative support for implementation by UNEP of the

GEF programme; the Technical Cooperation Trust Fund for the management of the UNEP/GEF Special Climate Change fund programme; and the Technical Cooperation Trust Fund for the Management of the UNEP/GEF Nagoya Protocol Implementation Fund.

7. Over the period between the twenty-sixth session of the Governing Council/Global Ministerial Environment Forum and 31 October 2012, the Executive Director established seven new trust funds (see table 2).

Table 2

New trust funds established since the twenty-sixth session of the Governing Council

<i>Description</i>	<i>General trust funds</i>	<i>Technical cooperation trust funds (general)</i>	<i>Technical cooperation trust funds (personnel)</i>	<i>Total</i>
Direct support for the UNEP programme of work	1	4	-	5
Support to conventions, regional seas programmes and Protocols	1	-	-	1
Special category of trust funds	-	1	-	1
Total	2	5	-	7

8. It should be noted that UNEP establishes trust funds with programmes and objectives that fall within the UNEP programme of work.

9. Summaries of the actual expenditure for the biennium 2010–2011, estimated expenditures for the biennium 2012–2013 and projected expenditures for the biennium 2014–2015, broken down into the various categories of trust funds, are provided in tables 3, 4 and 5, respectively.

10. For the biennium 2010–2011, expenditure amounted to \$734.3 million, of which \$162.6 million related to trust funds directly supporting the UNEP programme of work, while \$192.3 million and \$379.3 million were for conventions, protocols and regional seas programmes and special accounts and trust funds, respectively (see table 3).

Table 3

Actual trust fund expenditures for the biennium 2010–2011

(Thousands of United States dollars)

<i>Description</i>	<i>General trust funds</i>	<i>Technical cooperation trust funds (general)</i>	<i>Technical cooperation trust funds (personnel)</i>	<i>Total</i>
Direct support for the UNEP programme of work	70 095	83 555	8 970	162 620
Support to conventions, regional seas programmes and protocols	157 208	35 121	-	192 329
Special category of trust funds	379 337	-	-	379 337
Total	606 640	118 676	8 970	734 286

11. For the biennium 2012–2013, the total estimated expenditure of \$777.4 million for the biennium may be broken down into \$157.0 million for trust funds directly supporting the UNEP programme of work, \$186.3 million for trust funds for conventions, protocols and regional seas programmes and \$434.1 million for special accounts and trust funds (see table 4).

Table 4
Estimated trust fund expenditures for the biennium 2012–2013
 (Thousands of United States dollars)

<i>Description</i>	<i>General trust funds</i>	<i>Technical cooperation trust funds (general)</i>	<i>Technical cooperation trust funds (personnel)</i>	<i>Total</i>
Direct support for the UNEP programme of work	56 251	87 098	13 664	157 013
Support to conventions, regional seas programmes and protocols	145 520	40 758	-	186 278
Special category of trust funds	434 108	-	-	434 108
Total	635 879	127 856	13 664	777 399

12. For the biennium 2014–2015, the projected expenditures amount to \$663.3 million, of which \$109.5 million relate to trust funds directly supporting the UNEP programme of work, \$186.3 million to conventions and regional seas programmes and \$367.5 million to special accounts and trust funds (see table 5).

Table 5
Projected trust fund expenditures for the biennium 2014–2015
 (Thousands of United States dollars)

<i>Description</i>	<i>General trust funds</i>	<i>Technical cooperation trust funds (general)</i>	<i>Technical Cooperation Trust Funds (Personnel)</i>	<i>Total</i>
Direct support for the UNEP programme of work	41 500	60 000	8 000	109 500
Support to conventions, regional seas programmes and protocols	145 520	40 758	-	186 278
Special category of trust funds	367 513	-	-	367 513
Total	554 533	100 758	8 000	663 291

C. Earmarked contributions

13. In accordance with the financial rules of the Fund of the United Nations Environment Programme (rules 204.1 and 204.2), the Executive Director may accept earmarked contributions in the form of agreed contributions from Governments or cooperating agencies or supporting organizations or others made in cash or in kind to support specific activities, services and facilities, as set out in individual project documents.

14. Of the total expenditures of \$112.0 million in the biennium 2010–2011, \$88.8 million took the form of direct support for the UNEP programme of work and \$21.4 million was spent on activities of conventions, regional seas programmes and protocols, with \$1.8 million spent on GEF activities. This represents an overall increase of \$12.2 million over the biennium 2008–2009, when the combined total earmarked contribution expenditure was \$99.8 million.

15. It is estimated that earmarked contribution expenditures for 2012–2013 and 2014–2015 in support of the UNEP programme of work will be in the region of \$84.9 million and \$92.5 million, respectively. At the same time, it is estimated that earmarked contributions to conventions, regional seas programmes and protocols will marginally decrease from \$21.4 million in 2010–2011 to \$19 million in 2012–2013 and increase to \$23.9 million in 2014–2015. Earmarked expenditures for special category programmes (GEF) for the biennium 2012–2013 are expected to decrease to \$1.6 million and further decrease to \$1.5 million in 2014–2015.

16. A breakdown of the actual expenditures for the biennium 2010–2011 and the estimated expenditures for the bienniums 2012–2013 and 2014–2015 are given in table 6.

Table 6

Earmarked contributions for the bienniums 2010–2011, 2012–2013 and 2014–2015

(Thousands of United States dollars)

<i>Earmarked contributions for:</i>	<i>2010–2011 actual expenditures</i>	<i>2012–2013 revised estimated expenditures</i>	<i>2014–2015 projected expenditures</i>
Direct support for the UNEP programme of work	88 776	84 872	92 500
Activities of conventions, regional seas programmes and protocols	21 443	19 096	23 900
Special category of trust funds (GEF)	1 848	1 563	1 500
Total	112 067	105 531	117 900

17. Document UNEP/GC.27/INF/6 contains tables providing details of actual expenditure for the biennium 2010–2011, estimated expenditure for the biennium 2012–2013 and projected expenditure for the biennium 2014–2015 for all of the trust funds administered by UNEP.