

**Comments by the European Union and its Member States
on the Development of UNEP Programme of work and budget 2020-21**

- The EU and its Member States thank UNEP for the presentation of the roadmap for the preparation of its POWB 2020-2021, which is a good basis for discussion. The EU and its Member States underline the importance to ensure a transparent and inclusive process to ensure ownership of the POWB.

1. Impact of the UN Secretariat reform on UNEP's preparation of its POWB 2020-21

- In February, UNEP presented 3 options to align UNEP programming and budgeting with the reform of the UN Secretariat (UNGA resolution 72/266). One of the options included the proposal of a six-year MTS instead of the current 4-year cycle for MTS. However, the roadmap for the elaboration of POWB seems to imply that UNEP will not change its process. Could UNEP indicate why this option has been preferred?

- The document presented in February indicated that UNEP has to prepare a 3-year outline plan (replacing the strategic framework). However this plan is not mentioned in the roadmap prepared by UNEP. Can UNEP clarify if such plan needs to be prepared? If yes, its elaboration should be included in the roadmap.

- While being open-minded on how UNEP would adapt to the UN secretariat reform and highlighting that the annual budget cycle decided for the UN Secretariat has been agreed for a time-bound test phase only, the EU and its Member States consider that maintaining the status quo might not be the best option. We would be grateful if UNEP could further develop how they view the potential additional administrative burden but also how UNEA and the CPR would be involved in reviewing/endorsing the document. As we understand it, UNEP would be requested to prepare 4 documents over 4 timelines (annual budget, biennial POWB, triennial plan and four-year MTS).

2. Roadmap for the development of UNEP's Programme of work and budget 2020-2021

- UNEP mentions in the document that the new POWB 2020-2021 might have an impact on the current MTS. The EU and its Member States are open to that possibility, if this is required to enable UNEP to engage on new trends, challenges, themes. However, this should be reflected in the "key dates" given that if there are important changes to the MTS, it will need to be endorsed by UNEA.

- The EU and its Member States underline the importance to have consultation with the CPR in the preparation of the PoW. We believe that the timeline allocated in the roadmap (between October and November 2018) is not sufficient. At least, a first draft of the POWB should be sent for comment by the end of June 2018¹.

- Can UNEP also indicate what would be the potential impact of UNEP's submission of its annual budget and performance document to the UN Secretariat in February 2019. What would be the impact on UNEP POWB 2020-2021? Does UNEP foresee further consultations with the CPR before UNEA?

- Regarding the budget preparation, the EU+MS stress the need to prepare a realistic budget and welcome the use of historical data to better set a realistic budget. In that regard, the EU+MS are very concerned the gap between the adopted Environment Fund budget and what is really collected remain very high (50%). This should be taken into account when presenting the next budget. We would be grateful if UNEP could also include in the roadmap a briefing on the preparation of the resource mobilization strategy requested at UNEA-2 and the results that this new approach has achieved?

3. Brief on the budget formulation and allocation process

- The EU and its Member States thank UNEP for these very useful documents. We welcome the decision of UNEP to work towards improving its budget formulation and allocation as it was requested by several evaluations of UNEP (OIOS, MOPAN). While not wanting to enter into micro-managing the way UNEP operate, we would have several requests for clarification.

- Could UNEP provide further information on the basis or criteria for allocating staff to divisions or regional offices and its relation to the PoW subprogrammes?

- Could UNEP clarify what is the status of the position of sub-programme coordinator? There has been different views within UNEP whether such a position will remain and it is not clear in the budget allocation.

- For step 1 of identifying priorities, the EU and its Member States believe that the overall mandate of UNEP is already spelled out long term, for example in the mid-term strategy, whereas the present formulation gives the impression it is all open in the regular budget process. Perhaps it would be better to use another word than "identifying" the mandate when it comes to regular budget work, at least a point of departure could be stated referring to organizations aims and the strategy document. These priorities should also be referenced in the allocation regarding loosely earmarked funds.

¹ The preparation of the previous MTS and POWB which required several revision of the document took six month – the first draft was presented in August 2015 and was finalized in March 2016).

- Some clarification on the budget for the executive office, p 7, would be welcome. If 15% of the budget is allocated to the management even after the posts financed by the environmental fund and regular budget are settled, that would exceed the agreed overhead costs.

- The costs for sub-programmes and divisions are based on staff costs, however some units such as the civil society unit may have comparably large activity costs despite few staff. How can activities aiming at regular stakeholder involvement be ensured? We do not think that the involvement of stakeholders can be entirely dependent on project funds. This concern could also be relevant for other parts of the work, for example activities to connect science and policy.

- Finally, we would be grateful if UNEP can indicate how they make sure that the different initiatives led by UNEP are well matched with the POWB of UNEP and how UNEP intend to incorporate them in the development of the future POWB?

