

Comments by the European Union and its Member States
on Resource mobilization strategy for UNEP – November 2017
following to the CPR Subcommittee meeting on 14 June 2018

General comments

- The European Union and its Member States (EU+MS) thank UNEP for the preparation of the resource mobilization strategy. We believe it is an important and useful tool, which - as indicated by the UNEA-2/20 resolution - should be prepared in close consultation with the CPR.
- We believe a solid resource mobilization strategy is fundamental to ensure the full implementation of the POW that we adopted at UNEA and we are looking forward to further discussion on this document. We also welcome that this strategy has an inclusive approach, which includes MS and traditional donors but also other partners such as the private sector, foundations, etc. We underline in that context, the importance that UNEP also examines what is done by other UN agencies, including the financing dialogue ¹ of the WHO.
- The EU+MS, as one of the major donors to UNEP through the Environment Fund and earmarked contributions, would like to recall the importance to broaden the contributor basis to UNEP funding so as to provide full ownership of the programme and match the universality of UNEA. As Member States, we all have a responsibility to contribute to UNEP in order to give them the means to implement what we asked them to do.
- In general, we also underline that the implementation of the MTS and POW should underpin the whole resource mobilization strategy for core funding as well as earmarked funding (including contribution from other stakeholders). UNEP's research for funding is of course fundamental but if some earmarked funding is not linked with the POW and the added value of UNEP, it should not be encouraged. Furthermore, it is fundamental that there is follow-up at the HQ level to make sure that funds that are leveraged are done in a balanced manner so as to make sure that all part of the POW can be financed and that specific efforts are done in areas which are less likely to attract funds. In addition, a competition for funds between Divisions should be avoided.

Regular budget

- We would welcome further clarifications on the strategy of UNEP regarding the regular budget envelop: in the targets, UNEP indicate that it will try to "increase the portion of the 2020-21 allocation covering the costs of governing bodies from 0.8 MUSD to at least 4 MUSD as well as costs not yet budgeted that result from resolutions and decisions made at UNEA". However, in the budget envelop presented by UNEP at the subcommittee on the 14th of July, in all options, UNEP suggest that the contribution from the regular budget remains at the same level for 2020-2021. Could UNEP clarify this apparent contradiction?

Environment Fund

- We welcome the target to increase contribution from the EF from 50% to 75% of the 2018-2019 budget and 100% for the 2020-2021. For the EU+MS, this should be a priority for UNEP, including for the top management of UNEP (ED and DED). In that context, we strongly encourage UNEP and Member States to continue to use and promote the Voluntary Indicative Scale of Contributions (VISC) for the Environment Fund contributions. The VISC should be

¹ http://www.who.int/about/resources_planning/financing_dialogue/en/

updated on a regular basis to reflect Member States' financial capacities, according to the UN scale of contributions.

- We also welcome the target to increase the number of MS contributing to the EF.
- We are a bit surprised to see the key elements identified for EF (identification of new, emerging environmental issues, innovation for addressing environmental challenges, etc.). From our point of view, the main point of the EF is to finance the core functions of UNEP, as spelled out in the Rio+20 Declaration (set the global environmental agenda, science-policy interface, involving the civil society etc.).
- We would also welcome more details on what are the measures and tools UNEP is planning to develop to increase the contributions to the EF. In that regard, the EU+MS would like to emphasize the importance of transparency, including in the allocation of resources, as a key tool to build trust with MS and way to justify a contribution to the EF rather than earmarked contributions. The strategy should also better show the added-value for MS to contribute to the EF. Has UNEP envisaged differentiated program support costs depending on how the contributions are earmarked in order to incentivize funding to the EF (i.e. having a higher PSC for the contribution that are clearly earmarked and a lower one for contributions that are less earmarked) ? Other incentives could be more political: increase visibility of EF-donors throughout the year.

Earmarked contributions

a) Multilateral entities and UN partners

- The EU+MS welcome UNEP's approach which is to focus on areas where UNEP has added-value and scale up actions through partnerships with other UN entities. The EU+MS also welcome UNEP's proposal to shift from small to medium-scale initiatives to bring more impacts.
- The EU+MS are however a bit confused with the approach described regarding the work UNEP does with the GEF: it seems to indicate that UNEP only works with GEF on the Facility's impact initiatives (environment security, green finance, sustainable cities, etc.). However, our understanding is that UNEP works closely with the GEF in all the different sub-programmes of its POW/B, which goes much further (climate change, biodiversity, SCP, etc.). Can UNEP also clarify what is implied when it says "our strategy has significantly changed and we should review other opportunities with these funds"?

b) Member States

- The EU+MS welcome the proposal to shift earmarked funding towards sub-programmes and larger priority areas. This approach should of course be flexible. The priority should be that the contributions are linked with the implementation of the POW and MTS.
- The EU+MS would like also that the target of "improv[ing] the set up to receive money from foundation" be also applied for MS. Our experience is that giving earmarked contributions to UNEP can be complex and discouraging, and that there is a need for improvement.

c) Private sector

- We welcome the targets proposed by UNEP to increase contribution from the private sector. We underline the importance to have strong guidelines to protect the reputation and independence of UNEP. We would like to request UNEP, in that context, to share with us the "new Guidelines on Engagement with the Private sector of UNEP" mentioned in the strategy.

Clarifying roles and responsibilities for coordinated action

- The EU+MS welcome the proposal to involve more the regional offices but underline the importance to make sure that there is coordination at the Headquarter level. In that context, we would be grateful if UNEP could clarify the linkages that will be made between the

Corporate services Division, the Nairobi coordination Office, the Policy and Programme Division and the regional offices.

- Regarding the incentives for different units/offices, we welcome the intention but would like to stress also the need to also find the right balance between “attractive areas” and less attractive areas which are still important part of the POW. It is easier for example to find funding for a new emerging issue (e.g. marine litter) than for the science-policy interface (e.g. GEO process), while both are important work of UNEP.
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