

FREQUENTLY ASKED QUESTIONS: THE ENVIRONMENT FUND



What is the Environment Fund?

The Environment Fund, established in 1973 by the UN General Assembly, is the core fund of the UN Environment Programme (UNEP).

The Fund allows UNEP to carry out its mandate of being the leading global authority on the environment, with the power to positively influence government policies – and to drive the global conversation on the environment. It enables UNEP to support countries to deliver on the environmental dimensions of the 2030 Agenda and the Sustainable Development Goals.

Funding to the Environment Fund is critical for UNEP to deliver on its strengths. As the main source of unrestricted funds, it enables strategic, efficient, and effective execution of the Member State approved workplans, while allowing for flexibility to respond to emerging environmental challenges.

The Environment Fund is a true green investment – and benefits all nations.

What is the Environment Fund used for?

The Environment Fund provides the bedrock for UNEP's work worldwide. It is used for providing scientific evidence on the state of the global environment; the identification of emerging environmental issues and innovative solutions; advocacy and awareness-raising; capacity-building and results-focused programme management; and oversight. It also supports the convening power in bringing together governments, the private sector and civil society to advance the global environmental agenda, for example through the UN Environment Assembly (UNEA).

Of the fund, 85 per cent is used for the direct implementation of the Programme of Work – including addressing the environmental crises of climate, nature and pollution – as well as UNEP's work in science, policy and environmental law, which in

turn help drive positive impact for the environment. The rest supports strategic direction, management and programme support, which are critical for implementing the organisation's vision and ensuring transparency, solid oversight and delivery.

How is the level of the Environment Fund budget determined?

The Member States of UNEP approve the Programme of Work and budget at the UNEA sessions. The level of the Environment Fund is based on the approved budget. The annual budget in 2020 to 2023 is USD 100 million.

How is the Environment Fund financed?

The Environment Fund is financed by contributions from UNEP Member States. In 2012, at the Rio+20 UN Conference, the General Assembly adopted a resolution that strengthened the role of UNEP. From a Governing Council of 58 Member States, UNEP moved to an Environment Assembly, with universal membership that encompasses all 193 UN Member States. At the same conference, world leaders committed to ensure secure, stable, adequate and increased financial resources to UNEP. More recently in 2021, UNEA decision 5/2 urged all Member States in a position to do so to increase contributions to the Environment Fund, encouraged by the universal membership of UNEA.

What is each Member State's share of the Environment Fund (the VISC)?

The share that each Member State is encouraged to contribute to the Environment Fund is represented by the indicative scale of contributions (VISC). The VISC was established in 2002 by the Member States, in order to increase the number of Member States that provide funding, and to enhance predictability in the financing of the Environment Fund. Since then, several UNEA decisions have noted the positive effect of the VISC to broaden the base of contributions to the Environment Fund, and UNEA has requested UNEP to continue to use the VISC.

Simply put, the VISC-level is a percentage figure that is applied to the Environment Fund budget to determine each Member State's share of the budget. The VISC-level is based on the UN Scale of Assessments, but it also considers other factors, such as previous high levels of contributions and country-specific socio-economic factors. The level is not based on an equal share, but a share that is tailor-made to each country.

All 193 Member States are encouraged to contribute their share to the Environment Fund.



What are the challenges with the financing of the Environment Fund?

There are four main challenges with the financing of the Environment Fund. First, while the Environment Fund budget is approved by the Member States, so far Member States have not fully financed the budget (in 2021 income was at 78.5% of the approved budget). Second, while all 193 UNEP Member States have the responsibility to contribute, less than half have been providing funding to UNEP (in 2021, 79 Member States contributed). Third, the top-15 contributors to the Environment Fund provide over 90 per cent of the income. This is both a financial risk to UNEP, and an unfair burden to the few. A fourth challenge is the imbalance between unrestricted funding received (around 20%) and earmarked funding (around 80%). As earmarked funding reflects partner priorities rather than organisational priorities, it risks steering the organisation away from the common goals agreed together by UNEP and all its Member States.

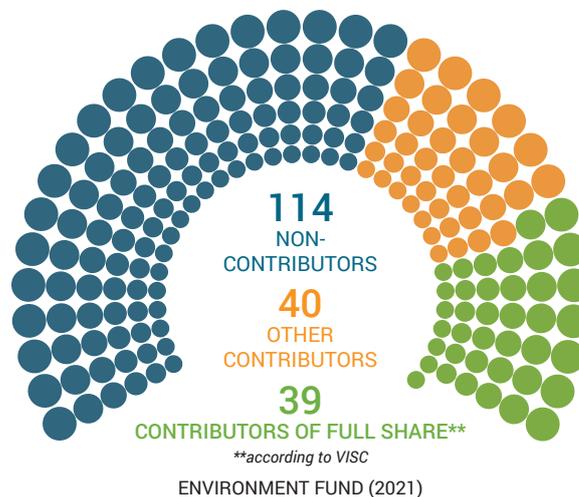
How much should, and has, each Member State contributed to the Environment Fund?

To check each Member State's proposed and actual contribution to the Environment Fund, visit unep.org/contributions where you will find information from 1973 up until today. UNEP is grateful to all partners that fund and champion its work.

How can Member States contribute to the Environment Fund?

There are several ways to make a payment: (i) requesting an invoice for specific amount and year, (ii) direct payment, (iii) payment based on a written agreement between Member State and UNEP, (iv) a pledge at the UN Pledging Conference.

For more details, see Guidelines for Contributing to the Environment Fund on unep.org/funding-partnerships/resources or contact us at unep-environmentfund@un.org.



Top contributors to the Environment Fund (2021)

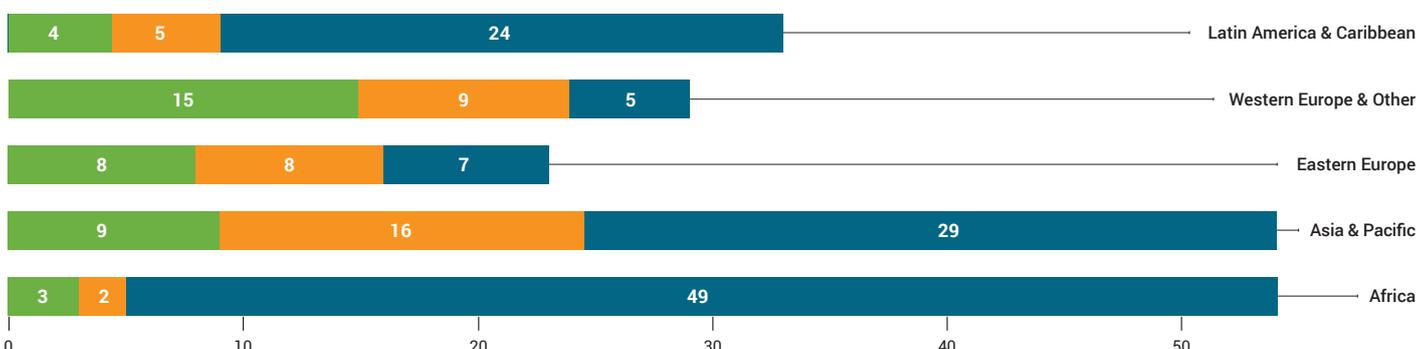
Ranking	Country	USD million
1	Netherlands	9,2
2	Germany	8,9
3	France	7,6
4	United States of America	6,6
5	Belgium	6,1
6	Sweden	5,1
7	Denmark	4,9
8	United Kingdom	4,6
9	Switzerland	4,0
10	Norway	3,0
11	Finland	2,9
12	Italy	2,8
13	Canada	2,5
14	Spain	1,6
15	China	1,4

* All figures in document as at 31 Dec 2021

Contributors to the Environment Fund by Region (2021)

Number of countries

● Contributors of full share** ● Other contributors ● Non-contributors



More information

Environment Fund: unep.org/environment-fund
 UNEP Funding and Partnerships: unep.org/funding-partnerships
 Check contributions to UNEP: unep.org/contributions
 Contact us: unep-environmentfund@un.org