

9th Annual Subcommittee Meeting of the CPR on 26 October 2022

“Agenda Item 7: Financial outlook and funding challenges for UNEP”

- The EU and its MS thank UNEP for putting this discussion on UNEP funding on the agenda of the ASC.
- We thank UNEP for a good and very clear presentation showing, where we are on funding, what are the challenges.
- We also thank for the panel discussion, offering the first hand experience and answers from the Member states.

- The EU and its MS would like to thank all UNEP MS that have contributed to the Environment Fund, especially those who have contributed their VISC.
- We note also that despite all efforts, and agreed declarations and commitments of Rio+20 and the UNEP@50, the overall funding base of the EF remains small and fragile.
- 90% of the funding of the Environmental Fund is provided by 15 donors, several of them being EU member states. This is simply not sustainable.
- I would like to echo acting deputy Executive Director, who said that the triple planetary crisis is deteriorating situation across the globe, requiring more and more resources. UN Member States are increasingly demanding more action and support from UNEP. This needs to be met by all MS partnering together to offer the financial support.
- We also saw today, in the panel, that several African countries restarted paying their voluntary contribution, and we congratulate them, hoping it gives an encouraging example to all.

Now moving on to some more concrete recommendations:

- The EU and its MS recommend, that the resource mobilization of UNEP should be geared towards core/flexible funding with specific attention paid to the Environment Fund (EF).
- The effectiveness of the implementation of UNEP Resource Mobilization Strategy should be re-evaluated and potentially strengthened.
- The EU and its MS also encourage UNEPs efforts to strengthening its cooperation with the UN Development System, and to put more efforts to partner with the International Financial Institutions as they possess significant resources that could be leveraged (in partnership with other (UN) organizations or Member States) to achieve UNEP’s goals for increased environmental results at country level.
- Furthermore the EU and its MS would like to suggest UNEP to consider stronger recognition of MS that contribute to the Environment Fund above a certain threshold. Perhaps one way to do it is to allow them to participate in steering committees, advisory boards etc. based on their strong commitment to UNEPs work and specific expertise of that MS in the relevant area.
- Such stronger involvement may also positively impact MS’ willingness to contribute over time.
- The EU and its MS stress that UNEP could encourage donors to provide non-earmarked funding, as it gives better flexibility to UNEP, for instance through:
 - o a better communication on the results of the use of non-earmarked funding,

- appreciation and visibility of donors that provide non-earmarked funding (including through the website, in communication to the CPR, etc.).
 - This would help Member states to give more political value to non-earmarked funding, and encourage other donors to do so (this would not only benefit to UNEP, as most UN agencies need more non-earmarked funding).
 - The EU+MS would also be quite open to the idea of a group of Friends of UNEP to overcome underfunding of UNEP and to contribute to speed up the tackling of triple planetary crisis.
 - But we also believe that UNEP should continue reaching out to countries that have not so far contributed according to the VICS. The engagement should focus on better explaining the VISC to these countries and seek to clarify concerns these countries may have.
 - I thank the Secretariat again for giving us opportunity to discuss this urgent matter.
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