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English only



## **United Nations Environment Assembly of the United Nations Environment Programme**

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### **Annual subcommittee meeting of the Committee of Permanent Representatives to the United Nations Environment Programme Eleventh meeting**

Nairobi, 8 – 12 July 2024

10:00 – 13:00 and 15:00 – 18:00 (GMT+3)

Conference Rooms 2 (in person) and

Microsoft Teams (online)

Agenda item 4 of the provisional agenda

**Financial outlook, opportunities and challenges for the United  
Nations Environment Programme.**

### **Note on the financial outlook, opportunities and challenges for UNEP**

This background document entitled “*Note on the financial outlook, opportunities and challenges for UNEP*”, has been prepared by the Secretariat to guide the discussion at the 11<sup>th</sup> annual subcommittee meeting of the CPR, under agenda item 4 (Financial outlook, opportunities and challenges for the United Nations Environment Programme).

The document provides an updated overview of UNEP’s financial trends and the status of funding of the last biennium 2022-2023. It will be complemented by an analysis on the changes that have taken place in the past ten years, and the success of action already taken, as well as possible changes needed going forward. Additionally, the document introduces the new UN Funding Compact which was endorsed by ECOSOC in April 2024.

## 1. Background

The *third structured funding dialogue* between the UNEP Secretariat and the Committee of the Permanent Representatives is taking place at the juncture of increased competition for financial resources, with many ongoing political and economic crises in the world. Interestingly, it also coincides with the launch of the planning for the next Medium-Term Strategy 2026-2029 for UNEP, while the achievements of the first half of the current MTS (2022-2023) are being reviewed. This provides an opportune time to look at the organisation's funding trends, the current situation, and reflect whether the strategies adopted for strengthened financing for UNEP are increasing the flexibility of the funding, and widening the base of contributors.

Under this agenda item, the Secretariat will provide an updated overview of UNEP's financial trends and the status of funding of the last biennium 2022-2023. It will be complemented by analysis on the changes that have taken place in the past ten years, and the success of action already taken, as well as possible changes needed going forward. The Secretariat will also present the new UN Funding Compact which was endorsed by ECOSOC<sup>1</sup> in April 2024.

With reference to the increased calls for appreciation and visibility of both the funding partners and UNEP, additional attention will be given to the Secretariat's efforts to appreciate its funding partners.

For further background information on UNEP's funding and the outcome of the previous structured funding dialogues, the CPR may wish to consult the following documents:

- The [report of the first structured funding dialogue](#) presented to the 162<sup>nd</sup> CPR which was endorsed for implementation.
- The [outcome of the second structured funding dialogue](#) paragraphs 56-58 and related [concept note](#) and [presentation](#).
- The [new UN Funding Compact](#) with further information on the related [new website](#)

Further guidance for the Secretariat to organize dialogues with Member States on funding is stated as a specific activity in the "[Action Plan for the Implementation of the Paragraph 88 of the outcome document of the UN Conference on Sustainable Development](#)" (UNEP/EA.5/23) and in paragraph 29 of the [new UN Funding Compact](#).

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<sup>1</sup> Economic and Social Council of the General Assembly, item 23 (a) Implementation of the General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system.

## 2. Proposed programme

### a. Secretariat presentation

The Secretariat will present UNEP's overall financial status, funding trends and outline the challenges and opportunities for strengthening core funding to the Environment Fund, increased flexibility through the Thematic Funds, and explain how the secretariat is addressing requests for better recognition of the funding partners. Ideas for strategic outreach to new funding partners among foundations and philanthropies will be presented, as well as cooperation opportunities with international financial institutions. The Secretariat will also introduce the new UN Funding Compact.

### b. Exchange of views, open discussion by CPR

Following the presentation, the CPR and other stakeholders are invited to comment on the presentation and provide guidance, as appropriate, including how to strengthen UNEP's financial basis.

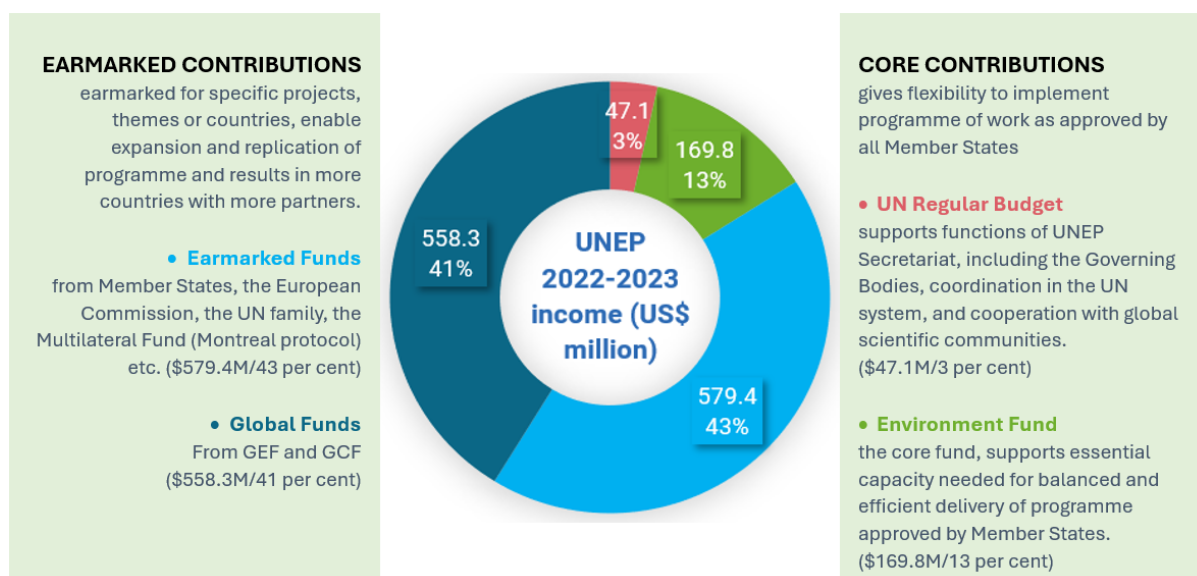
## 3. Background: funding trends and situation

To provide background information for the presentation and discussion during the session, this section contains some key information on the ten-year funding trends and the funding status as at the 2022-2023 biennium.

### 3.1. Overview of the current funding situation and sources of income

UNEP relies on voluntary contributions for over 95% of its operations.

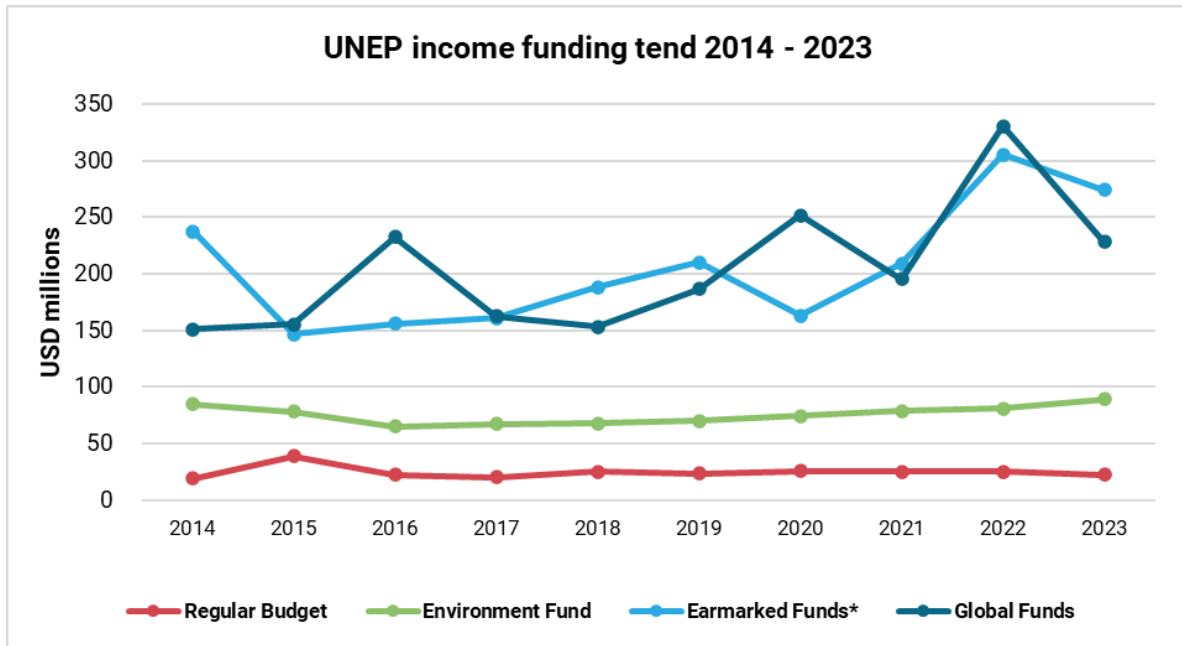
**Chart 1: Main sources of income and status 2022 – 2023**



### 3.2 Imbalance between core/flexible funds and tightly earmarked funds

The growth of earmarked contributions has outpaced that of the core and other flexible funding. In 2022-2023 the share of core funding (UN Regular Budget and Environment Fund) and other flexible funding (Thematic Funds and other softly earmarked funding agreements) of the total income amounted to US\$ 253 million or 19%.

**Chart 2: 2014-2023 Funding trends**

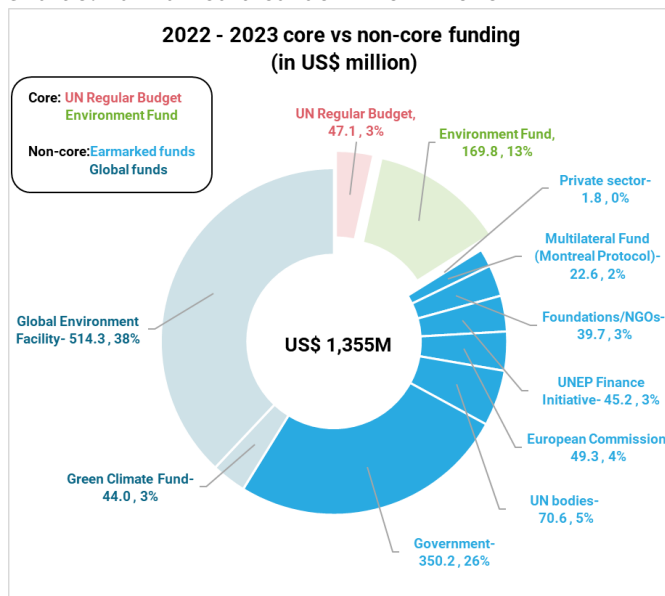


\*softly earmarked funding is included as part of the total earmarked funds

### 3.3 Sources of earmarked funds and share of government funding partners of total income

Governments provide the largest share of the earmarked funds, out of which 10% is softly earmarked funding.

**Chart 3: Earmarked breakdown 2022-2023**



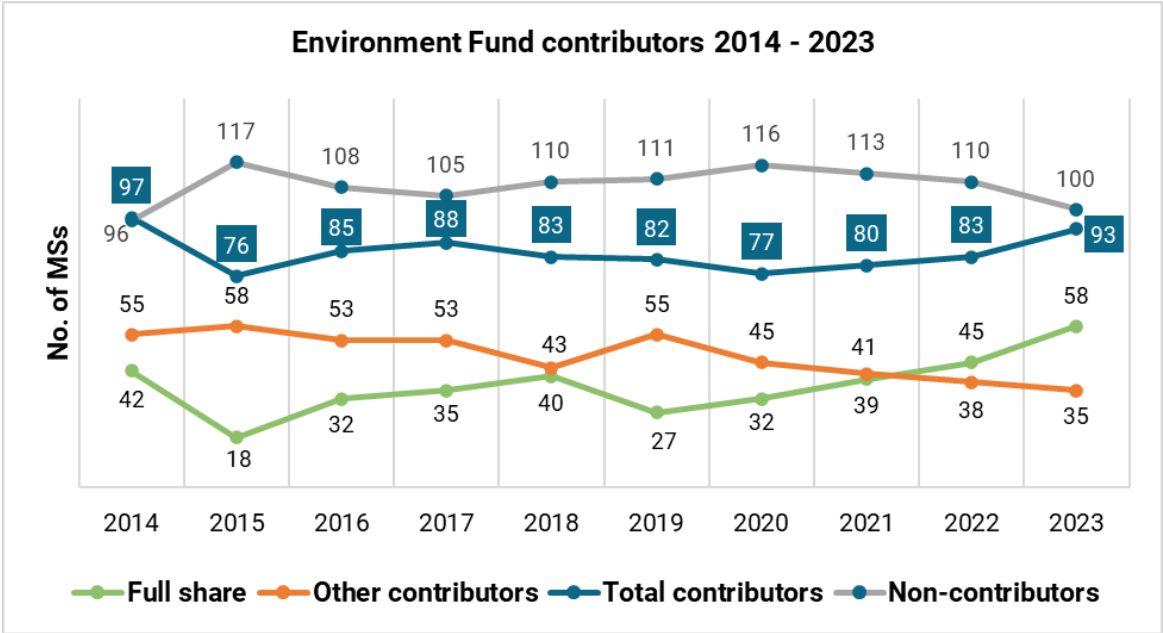
Overall, direct funding from governments to UNEP in 2022-

2023 amounted to USD 520 million which is 38% of the total income. One third of the amount (USD 170 million) was for the Environment Fund, and two thirds (USD 350 million) earmarked funding.

### 3.4 Member States contributing to the Environment Fund

The number of Member States contributing has been on a moderate increase in recent years but the total out of the 193 Member States remains under 50%.

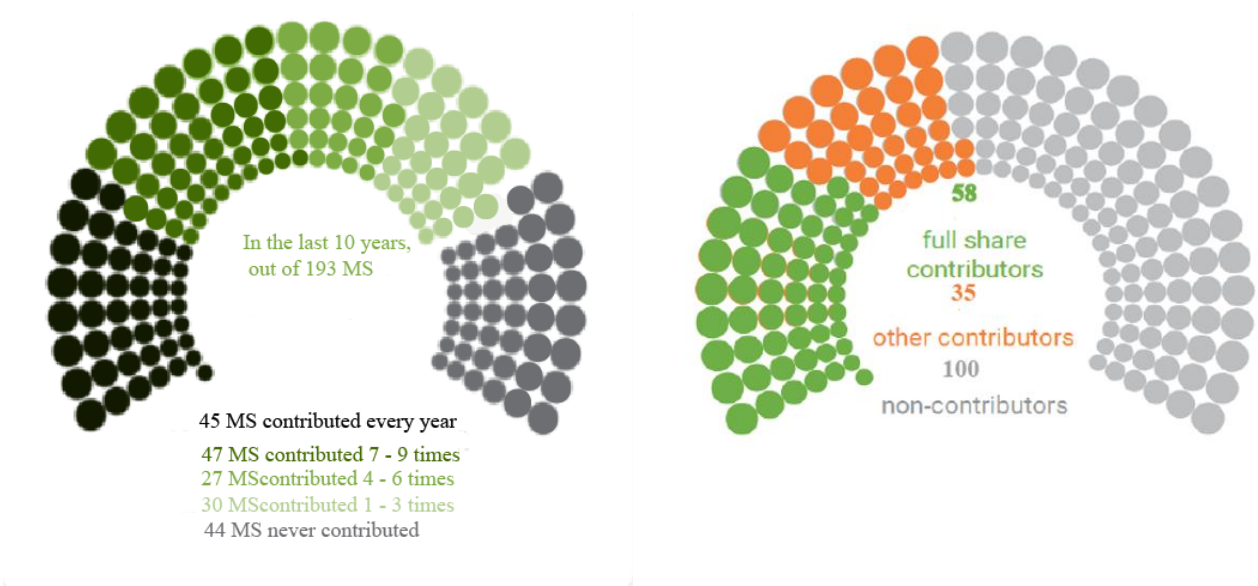
**Chart 4: Full share, other contributors and non-contributors 2014 – 2023**



The number of Member States contributing their full share has increased including as a share of the total number of contributors, 2023 being a record year with 60% of the contributions at or above the full share.

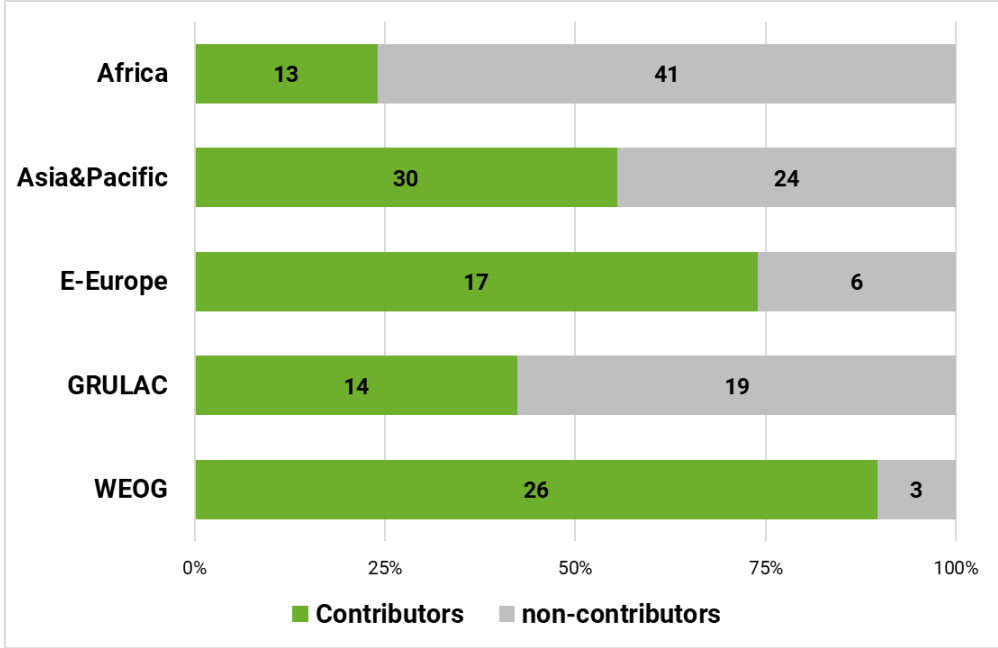
In terms of predictability of funding from the 193 Member States over the past decade, about 20% contributed every year, about 50% contributed at some point while about 30% did not contribute at all.

**Chart 5: Member States contribution patterns to the Environment Fund 2014 - 2023 and status of 2023**



The headquarters and the regional offices of the Secretariat continue to work together to strengthen the outreach to the regional and political groups, and individual member states.

**Chart 6: Environment Fund contribution pattern by region (2022 – 2023)**



**4. Appreciation of Member States**

The Secretariat has increased its communication and outreach efforts in recent years, and made good strides in implementing the recommendations to provide visibility to and appreciation of funding partners.

The Secretariat continues to provide visibility to contributors of core funding – especially contributors of their full share according to the VISC (Voluntary Indicative Scale of Contributions) and top contributors, through articles, presentations, speeches and social media.

In 2023, the Secretariat appreciated, all Full Share and top 15 contributors to the Environment Fund on social media, totalling 48 Member States as of December 31, 2023. In total, the Secretariat expressed its deep gratitude to 52 Member States who contributed to the Environment Fund at Full Share or higher level. fa Appreciation posts for 2024 Full Share contributors are currently in progress.

**Chart 7: List of contributors to the Environment Fund 2022-2023**

## 2022-2023 FULL SHARE AND ABOVE FULL SHARE CONTRIBUTORS

Albania  
 Angola  
 Antigua & Barbuda  
 Armenia  
 Barbados  
 Belarus  
 Belgium  
 Belize  
 Bhutan  
 Bosnia & Herzegovina  
 Botswana  
 Brunei Darussalam  
 Bulgaria  
 Canada  
 Cyprus  
 Denmark  
 Dominican Republic  
 Eritrea  
 Fiji  
 Finland  
 France  
 Gambia  
 Georgia

Grenada  
 Guinea  
 Guyana  
 Iceland  
 Ireland  
 Italy  
 Jamaica  
 Jordan  
 Kenya  
 Latvia  
 Liechtenstein  
 Lithuania  
 Luxembourg  
 Madagascar  
 Maldives  
 Malta  
 Mauritius  
 Micronesia (FSO)  
 Monaco  
 Mongolia  
 Montenegro  
 Morocco  
 Mozambique

Myanmar  
 Nauru  
 Netherlands (kingdom of the)  
 New Zealand  
 Norway  
 Oman  
 Panama  
 Peru  
 Saint Lucia  
 San Marino  
 Serbia  
 Seychelles  
 Slovenia  
 Somalia  
 Sri Lanka  
 Sweden  
 Switzerland  
 Tajikistan  
 Tanzania (URO)  
 Timor-Leste  
 Tuvalu  
 United Kingdom  
 Uruguay

## 2022-2023 OTHER CONTRIBUTORS

Andorra  
 Australia  
 Austria  
 Azerbaijan  
 Bangladesh  
 Chile  
 China  
 Croatia  
 Estonia  
 Germany  
 Ghana  
 Honduras  
 Hungary

India  
 Indonesia  
 Japan  
 Iraq  
 Kazakhstan  
 Kuwait  
 Malaysia  
 Mexico  
 Pakistan  
 Paraguay  
 Philippines  
 Poland  
 Portugal

Republic of Korea  
 Saudi Arabia  
 Singapore  
 Slovakia  
 South Africa  
 Thailand  
 Spain  
 Iran (IRO)  
 Trinidad and Tobago  
 United States of America  
 Viet Nam