

8-12 July 2024

Agenda item four:

# Financial Outlook - Opportunities and Challenges for UNEP

11th Annual Subcommittee Meeting of the Committee of Permanent Representatives

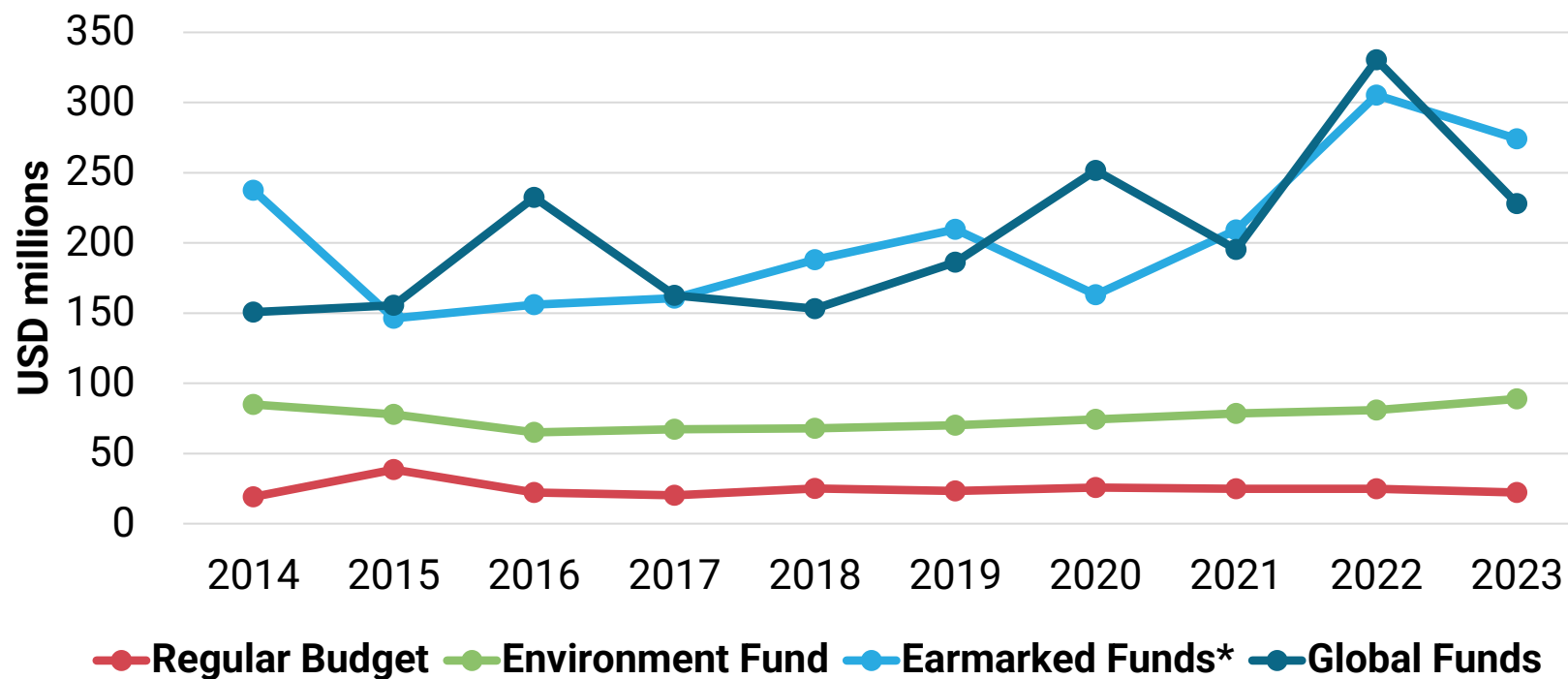


# UNEP Funding Trends



# Overview of funding trends

## UNEP 2014 – 2023 Funding trend



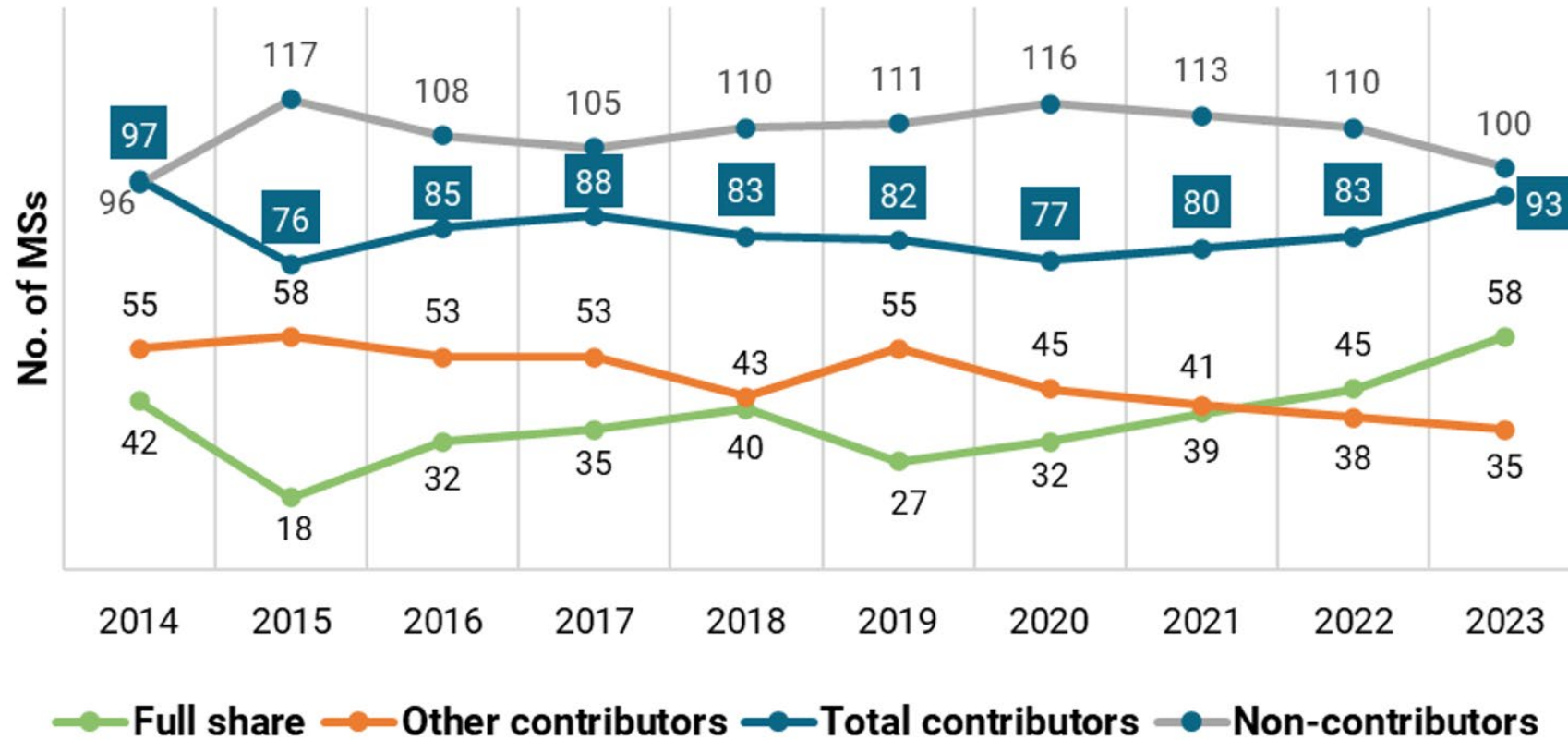
Earmarked income is outpacing core income

\*Earmarked funds include other flexible funding (Thematic funds and other softly earmarked funding agreements)



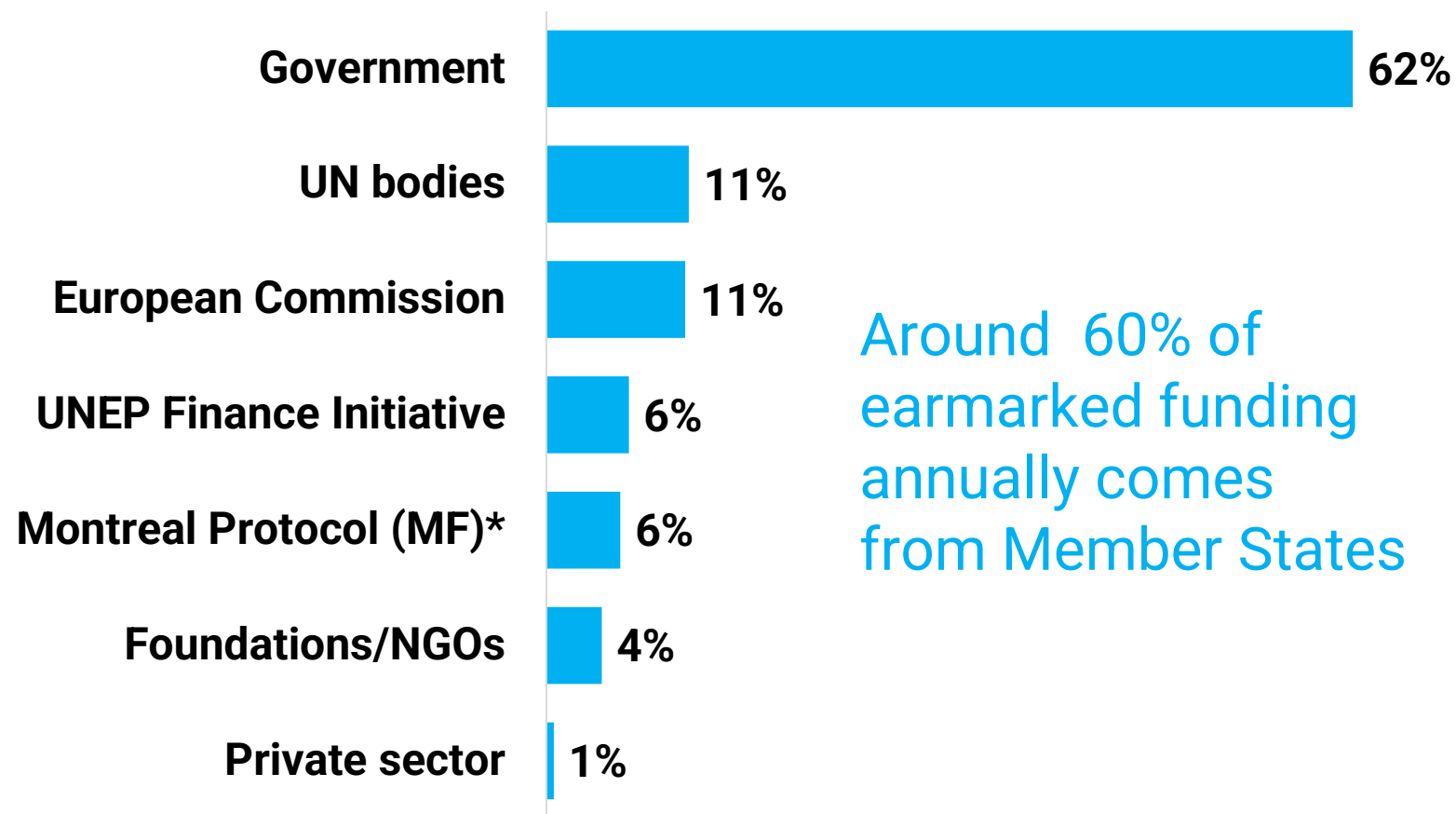
# Member States' contributions to the Environment Fund

Environment Fund contributors 2014 - 2023



Growing commitment:  
Steady increase of full share contributors

# Average earmarked funding by funding partners (2019–2023)



\*Multilateral Fund (Montreal protocol)



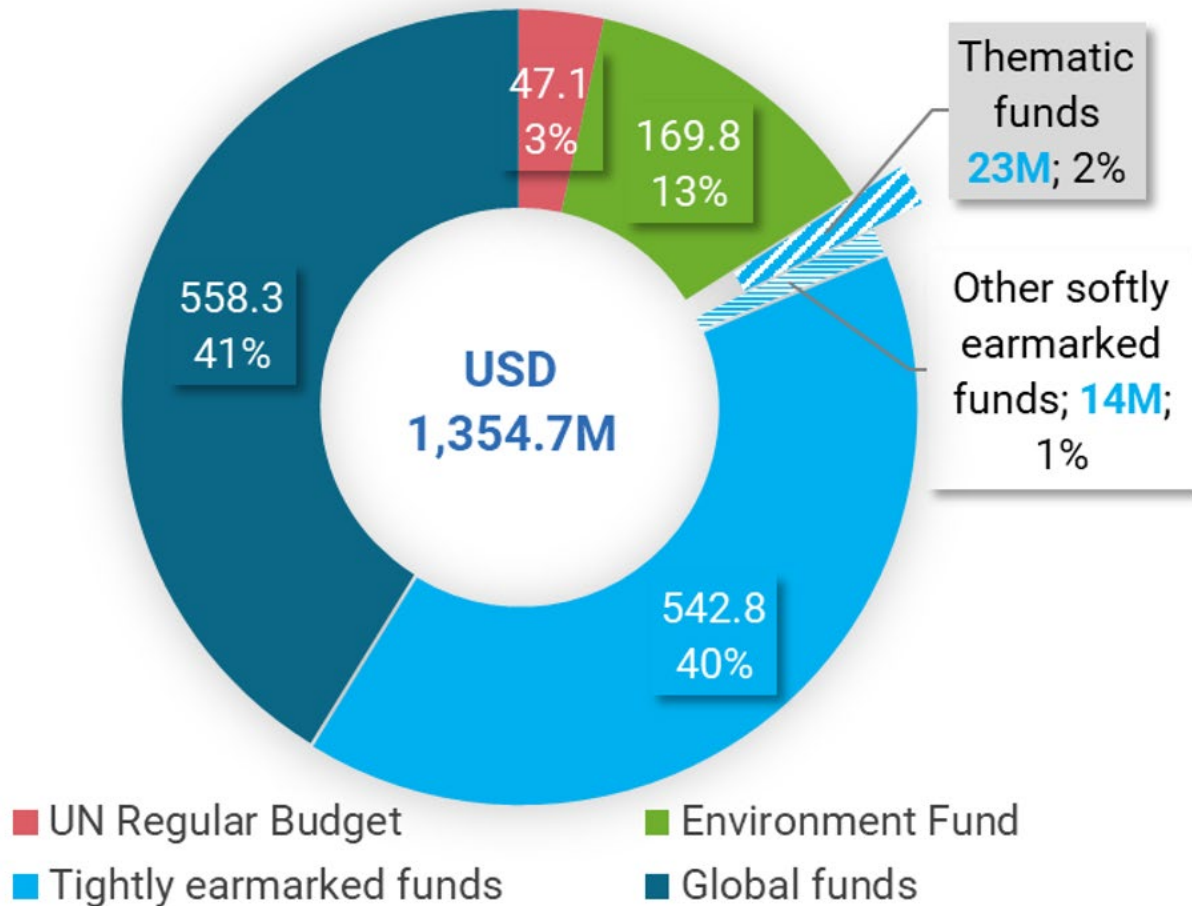


# Current Funding Status



# Imbalance between core and earmarked funding

Income per source of fund (US\$ million)  
January 2022 - December 2023

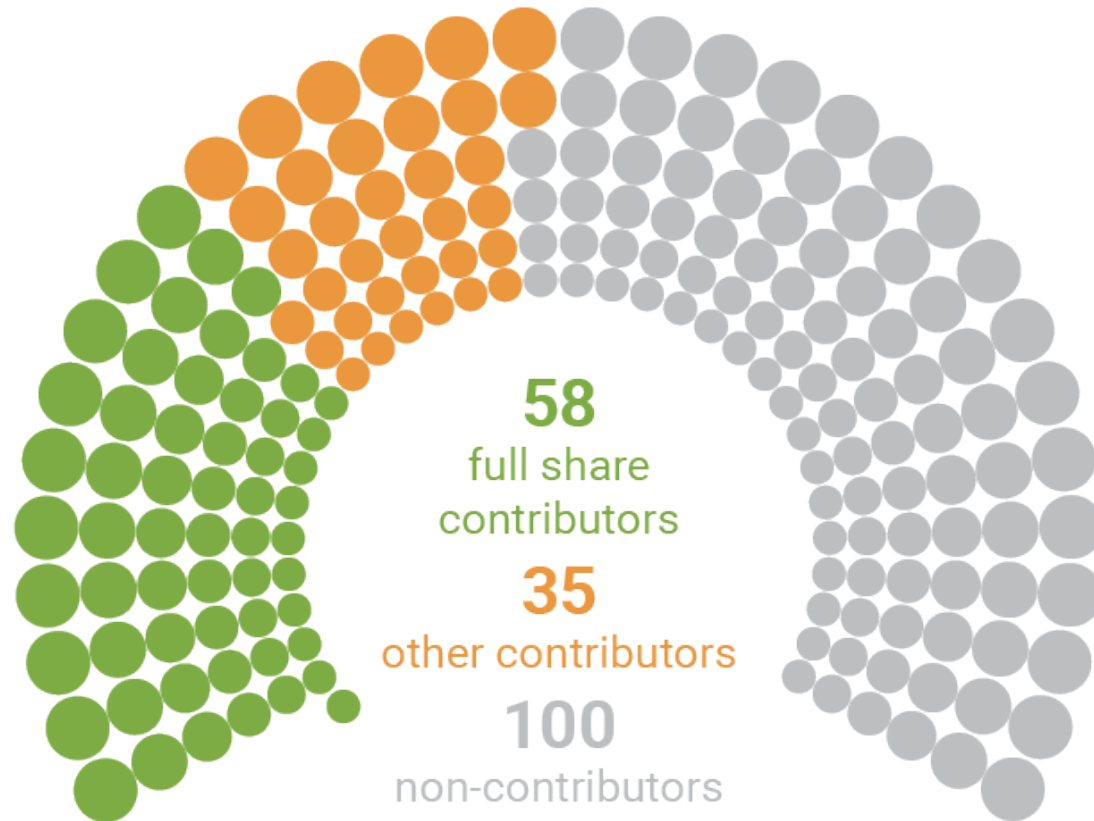


More flexibility is needed.

Of total funding:  
16% is core  
3% is softly earmarked  
81% is tightly earmarked

# Narrow funding base

## Environment Fund 2023\*



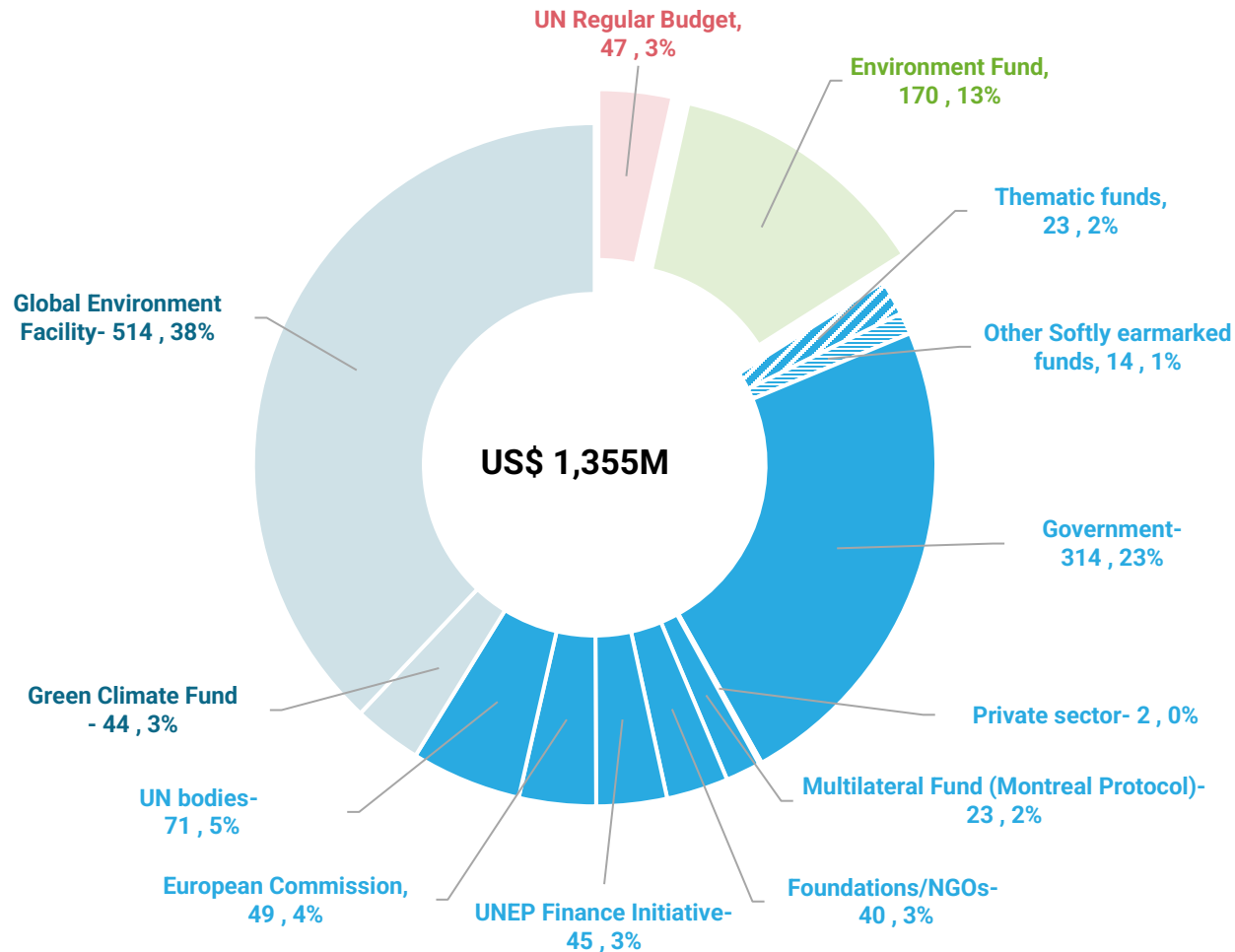
*\*as at 1<sup>st</sup> July 2024*

Number of Member State contributors is increasing but remains below the halfway mark.



# Earmarked income: Not enough flexibility

Breakdown of earmarked income 2022 – 2023  
(in USD millions)



3% of total income is softly earmarked.

The thematic funds need more support.





# Reflections and Looking Ahead

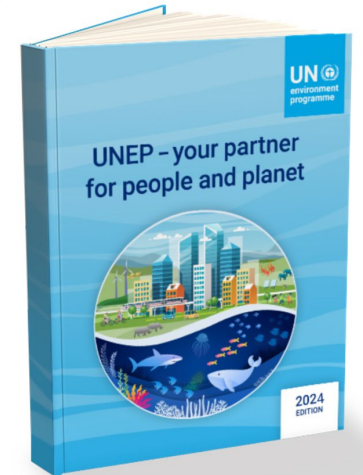


# Enhance outreach on UNEP as a partner of choice, it's mandate and crucial role

Amplified **narrative** and **key messages** underscoring UNEP's leadership in addressing global environmental challenges.

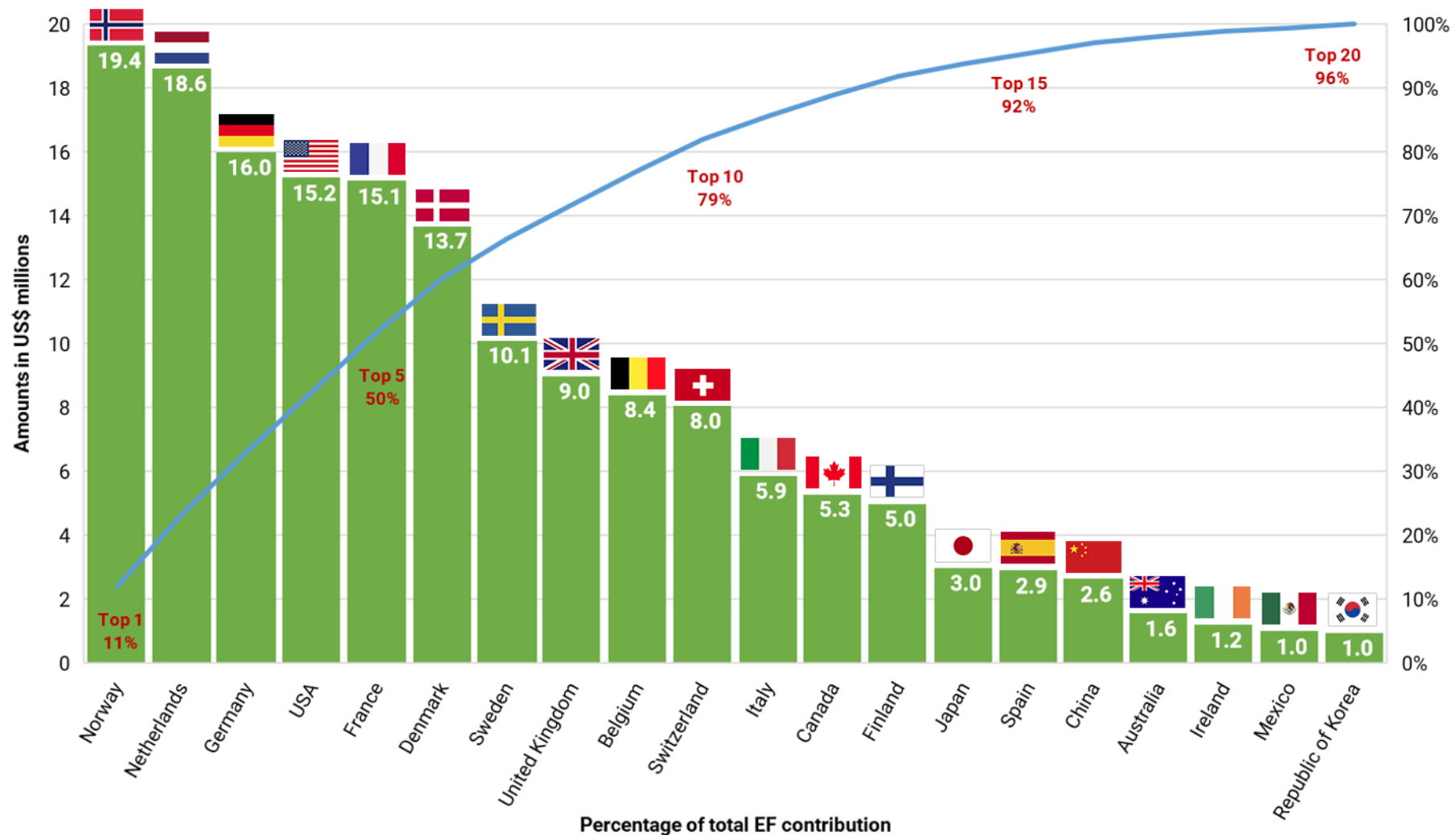
Increased **visibility** and **appreciation** of funding partners.

Strengthened communication about significance of **core funding** and the **impact** of the **Environment Fund**.



# Widen the base of core contributors

## Top 20 contributors to the Environment Fund 2022-2023



Environment Fund funding is the responsibility of all 193 Member States.



# Thematic funds

Single-agency pooled thematic funds for **climate**, **nature** and **pollution**

## 2023 results

- Raised **\$23.9 million** from Finland, Belgium, Norway and the Philippines
- **\$3.2 Million** from Belgium for the climate fund signed in June 2024
- **\$19.8 million** was allocated in 2023. In total, **\$23.9** million has been allocated

## 2024 goals and objectives

- First report on the thematic funds to be ready by September 2024 (interactive, story-focused and results-oriented)
- Ongoing outreach to more emerging donors and foundations
- Strong optics and visibility (including at global and regional events and across platforms)



# Results in focus: Achievements through the thematic funds



## Case study 1: Climate Fund: Food Waste Prevention

Supporting delivery under SDG 12.3 under Food Waste Index, drafting a thematic chapter on food waste prevention, and resulting Organic Waste Strategy. Working with retailers such as Walmart to pilot interventions to reduce consumer food waste at home.

## Case study 2: Climate Fund: Restoration Factory in Kenya, Tanzania and Democratic Republic of Congo

An incubator for small entrepreneurs working in the agricultural sector with match-making for investors and SMEs (especially women-led).

## Case Study 3: Cross-Cutting: Foresight Process

The Foresight Report, which informs UNEP's policy and systems thinking on the most emerging environmental issues, helping ensure that global problems and challenges faced.

## Case Study 4: Pollution Fund

Funding for air quality and health programming across LAC, West Asia and Asia Pacific to bring UNEA Resolution 6/10 into action.

Full stories in biennial report



# Unlocking new opportunities: Resource mobilization efforts

UNEP is currently developing a corporate-level strategy on engaging the philanthropic sector to diversify funding.

UNEP continues to target key thematic areas to raise funds on solutions to the triple planetary crisis and sector-specific areas such as plastic pollution, One Health and sustainable food systems.

UNEP is reviewing its strategic engagement with and possible funding from International Financial Institutions and Multilateral Development Banks.



# European Union and UNEP: Partnering for the planet

- European Union institutions: a key political partner
- Annual high-level meeting
- Memorandum of Understanding
- 2024: year of EU Institutions turnover and recalibration
- UNEP Deputy Executive Director mission to Brussels in May 2024 ahead of European Parliament elections
- Continuity of European environmental ambition
- Broadened EU-UN collaboration on triple planetary crisis



# The European Commission and UNEP

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- European Commission support are integral to UNEP's extra-budgetary funds
- Crucial for delivery of UNEP Programme of Work initiatives, UNEA resolutions and MEA programmes
- Potential for strengthened engagement at country level
- UNEP EC Operations Unit, coordinating and facilitating all programmatic engagement with EC





# UNEP's global partners in environmental action: GEF and GCF



## Green Climate Fund (GCF):

- International fund to support developing countries' climate action
- Focuses on mitigation, adaptation, and resilience-building efforts
- Has approved over \$10 billion in funding for climate projects worldwide
- Collaborates with UNEP to enhance climate resilience and reduce emissions
- The UNEP GCF portfolio is currently valued at \$294 million



## Global Environment Facility (GEF):

- International partnership to address global environmental issues
- Supports projects in biodiversity, climate change, chemicals and more
- Has provided over \$20 billion in grants and mobilized \$110 billion in co-financing
- Works closely with UNEP to implement projects and achieve environmental goals
- The UNEP GEF portfolio is currently valued at \$1.7 billion





# Appreciation of our Funding Partners





## Gratitude and recognition for our funding partners

- Ongoing appreciation of **2024** Environment Fund contributors
- **52** Member State contributors for 2023 appreciated on social media
- **60** countries' partnership with UNEP appreciated on social media after ED's engagements
- **Contributors to core and flexible funds** highlighted (presentations and reports to Member States)



# Thank you to all Environment Fund contributors

2022-2023 contributors

## Full share contributors

 Albania	 Guyana	 Myanmar
 Angola	 Iceland	 Nauru
 Antigua and Barbuda	 Ireland	 New Zealand
 Armenia	 Jamaica	 Oman
 Barbados	 Jordan	 Panama
 Belarus	 Kenya	 Peru
 Belize	 Latvia	 Saint Lucia
 Bhutan	 Liechtenstein	 San Marino
 Bosnia and Herzegovina	 Lithuania	 Serbia
 Botswana	 Luxembourg	 Seychelles
 Brunei Darussalam	 Madagascar	 Slovenia
 Bulgaria	 Maldives	 Somalia
 Cyprus	 Malta	 Sri Lanka
 Dominican Republic	 Mauritius	 Tajikistan
 Eritrea	 Micronesia (FSM)	 Tanzania
 Fiji	 Monaco	 Timor-Leste
 Gambia	 Mongolia	 Tuvalu
 Georgia	 Montenegro	 Uruguay
 Grenada	 Morocco	
 Guinea	 Mozambique	

## Top 15 Contributors

-  Norway\*
-  Netherlands\*
-  Germany
-  USA
-  France\*
-  Denmark\*
-  Sweden\*
-  United Kingdom\*
-  Belgium\*
-  Switzerland\*
-  Italy\*
-  Canada\*
-  Finland
-  Japan
-  Spain

*\*who have paid their full share*

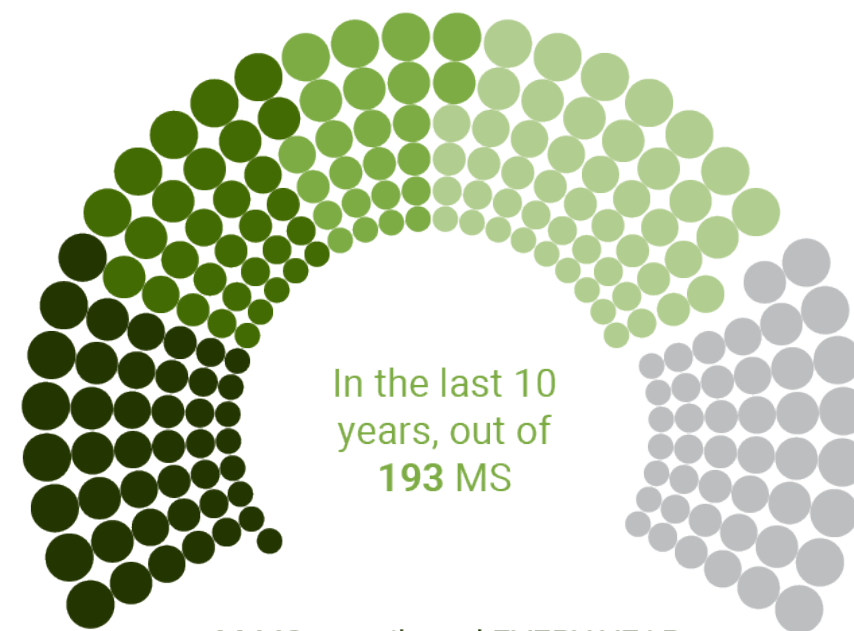
## Other contributors

 Andorra	 Pakistan
 Australia	 Paraguay
 Austria	 Philippines
 Azerbaijan	 Poland
 Bangladesh	 Portugal
 Chile	 Republic of Korea
 China	 Saudi Arabia
 Costa Rica	 Singapore
 Croatia	 Slovakia
 Estonia	 South Africa
 Ghana	 Thailand
 Honduras	 The Islamic Republic of Iran
 Hungary	 Trinidad and Tobago
 India	 Viet Nam
 Indonesia	
 Iraq	
 Kazakhstan	
 Kuwait	
 Malaysia	
 Mexico	

# Thank you for increasing the predictability of core funding

## Most reliable contributors to Environment Fund 2014-2023

 Andorra	 India	 Norway
 Australia	 Ireland	 Republic of Korea
 Austria	 Japan	 Serbia
 Bangladesh	 Jordan	 Singapore
 Belgium	 Kazakhstan	 Slovakia
 Canada	 Lithuania	 Slovenia
 China	 Luxembourg	 Sri Lanka
 Croatia	 Malaysia	 Sweden
 Cyprus	 Mauritius	 Switzerland
 Finland	 Mexico	 Thailand
 France	 Monaco	 United Kingdom
 Georgia	 Mongolia	 United States of America
 Germany	 Morocco	 Uruguay
 Hungary	 Netherlands	 Viet Nam
 Iceland	 New Zealand	



**44 MS** contributed EVERY YEAR  
**31 MS** contributed 7 - 9 times  
**24 MS** contributed 4 - 6 times  
**50 MS** contributed 1 - 3 times  
**44 MS** never contributed

# Thank you for earmarked funding

In 2022 - 2023:

- **82** Member States provided direct earmarked funding to UNEP
- **26** Member States provided **ONLY** earmarked funding
- **3** Member States contributed softly earmarked funding totaling **\$37 million** (Belgium, Norway and Sweden)



## Top Member State contributors of earmarked funds (2022-2023)

- 1  Germany
- 2  Sweden
- 3  United States of America
- 4  Norway
- 5  United Kingdom
- 6  Canada
- 7  Japan
- 8  Switzerland
- 9  Denmark
- 10  Belgium
- 11  Saudi Arabia
- 12  Finland
- 13  France
- 14  Netherlands
- 15  The Republic of Korea



# The new UN Funding Compact

For the UN's support to the Sustainable Development Goals



Member States should:



1. Increase predictable **core / unearmarked** resources

2. Enhance **flexibility** of non-core funding

3. Increase contributions to interagency **pooled funds**

4. Ensure funding to the **Resident Coordinator system**

5. Enhance **donor coordination**

6. Ensure **alignment of non-core funding** to strategic priorities and needs

The UN development system will:



i. Clearly demonstrate the UN's contribution towards **SDG results**

ii. Ensure **visibility, recognition and transparency**

iii. Enhance **joint resource mobilization** & pooled funding

iv. Fully support **coordination of UN development activities**

v. Strengthen the achievement and reporting of **efficiencies**

vi. Ensure **alignment of programmes & capacities** to strategic priorities & needs



**Thank you!**

**Share the journey**