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

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

Growing commitment: Steady increase of full share contributors
Average earmarked funding by funding partners (2019–2023)

- Government: 62%
- UN bodies: 11%
- European Commission: 11%
- UNEP Finance Initiative: 6%
- Montreal Protocol (MF)*: 6%
- Foundations/NGOs: 4%
- Private sector: 1%

*Multilateral Fund (Montreal protocol)

Around 60% of earmarked funding annually comes from Member States.
Imbalance between core and earmarked funding

More flexibility is needed.

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

Environmental Fund 2023*

- 58 full share contributors
- 35 other contributors
- 100 non-contributors

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

*as at 1st July 2024
Earmarked income: Not enough flexibility

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

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

### Top 15 Contributors
1. Norway*
2. Netherlands*
3. Germany
4. USA
5. France*
6. Denmark*
7. Sweden*
8. United Kingdom*
9. Belgium*
10. Switzerland*
11. Italy*
12. Canada*
13. Finland
14. Japan
15. Spain

*who have paid their full share

### Other contributors
- Andorra
- Australia
- Austria
- Azerbaijan
- Bangladesh
- Chile
- China
- Costa Rica
- Croatia
- Estonia
- Ghana
- Honduras
- Hungary
- India
- Indonesia
- Iraq
- Kazakhstan
- Kuwait
- Malaysia
- Mexico
- Pakistan
- Paraguay
- Philippines
- Poland
- Portugal
- Republic of Korea
- Saudi Arabia
- Singapore
- Slovakia
- South Africa
- Thailand
- The Islamic Republic of Iran
- Trinidad and Tobago
- Viet Nam
Thank you for increasing the predictability of core funding

Most reliable contributors to Environment Fund 2014-2023

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

In the last 10 years, out of 193 MS

- 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
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

**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

- A more strategic and responsive UN development system, supporting the achievement of SDG results
- A more collaborative and integrated UN development system, working in partnership
- A more efficient and streamlined UN development system, maximizing human and financial resources available
Thank you!

Share the journey