



**Governing Council
of the United Nations
Environment Programme**

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Item 7 of the provisional agenda*

**Budget and programme of work for the biennium
2008–2009, the Environment Fund and administrative
and other budgetary matters**

**Environment fund budgets: proposed biennial programme and
support budget for 2008–2009**

Report of the Executive Director

Addendum

Administrative and other budgetary matters

Summary

The Executive Director has the honour to submit herewith the background information and suggested action by the Governing Council on the amendment of the General Procedures governing the Operations of the Fund of the United Nations Environment Programme. This document also contains information and suggested action by the Governing Council on the management of the trust funds and earmarked contributions in support of the programme of work of the United Nations Environment Programme.

* UNEP/GC/24/1.

I. Suggested action by the Governing Council

1. The Governing Council may wish to consider the adoption of decisions along the lines suggested below.

A. 24/[...] Amendment of the General Procedures governing the Operations of the Fund of the United Nations Environment Programme

The Governing Council,

Recalling resolution 2997 (XXVII) of the General Assembly of 15 December 1972, in particular its section III, paragraph 7, and also the General Procedures governing the Operations of the Fund of the United Nations Environment Programme, adopted by the Governing Council in pursuance of that resolution by its decision 2 (I) of 22 June 1973, as amended by the Council in its decisions 40 (III), section II, of 30 April 1975, 19/25 of 7 February 1997 and 22/22 of 7 February 2003 ,

1. *Decides* to amend paragraph 5 of article VI of the General Procedures governing the Operations of the Fund of the United Nations Environment Programme to read as follows:

“Subject to paragraph 4 above, the Executive Director, on behalf of and under the authority of the Governing Council, shall approve projects within the apportionment of resources for Fund Programme Activities, and allocate funds for such projects within the approved Fund programme. However, the Executive Director shall submit to the Governing Council any project which, because of its policy implications or magnitude, deserves the Governing Council’s consideration and approval. In cases where the Executive Director is required to make a timely decision during intersessional periods of regular sessions of the Governing Council, he may make appropriate and necessary arrangements in order to implement the approved UNEP programme of work or undertake activities in accordance with the mandate from General Assembly resolution 2997 (XXVII) which have policy implications, subject to reporting those arrangements at the next regular session of the Governing Council. The Executive Director shall also submit to the Governing Council for approval any project which he considers should be executed directly by the Executive Director”;

2. *Requests* the Executive Director to inform the Committee of Permanent Representatives of such appropriate and necessary arrangements as may be made during intersessional periods of regular sessions of the Governing Council as referred to in paragraph 5 of article VI of the General Procedures governing the Operations of the Fund of the United Nations Environment Programme as amended by paragraph 1 of the present decision.

B. 24/[...] Management of the trust funds and earmarked contributions

The Governing Council,

Having considered the report of the Executive Director on the management of trust funds,¹

1. Trust funds in support of the UNEP work programme

1. *Notes and approves* the establishment of the following trust funds since the twenty-third session of the Governing Council:

(a) General trust funds:

(i) SML – General Trust Fund for the Strategic Approach to International Chemicals Management Quick Start Programme, with an expiry date of 30 November 2013;

¹ UNEP/GC/24/9/Add.2.

- (b) Technical cooperation trust funds:
 - (i) NFL – Technical Cooperation Trust Fund for the Implementation of the Framework Agreement between UNEP and the Government of Norway (financed by the Government of Norway), which was established in 2006 with no fixed expiry date;
 - (ii) SEL – Technical Cooperation Trust Fund for the Implementation of the Agreement with Sweden (financed by the Government of Sweden), which was established in 2005 with an expiry date of 31 December 2007;
 - (iii) SFL – Technical Cooperation Trust Fund for the Implementation of the Framework Agreement between UNEP and the Government of Spain (financed by the Government of Spain), which was established in 2006 with an expiry date of 31 December 2012;

2. *Approves* the extensions of the following trust funds subject to the Executive Director of the United Nations Environment Programme receiving requests to do so from the relevant Governments or donors:

- (a) General trust funds:
 - (i) AML – General Trust Fund for the African Ministerial Conference on the Environment, which is extended through 31 December 2009;
 - (ii) CWL – General Trust Fund for the African Ministers’ Council on Water, which is extended through 31 December 2009;
 - (iii) DUL – General Trust Fund to Support the Activities of the Dams and Development Unit to Coordinate Follow-up to the World Commission on Dams, which is extended through 31 December 2009;
 - (iv) ETL – Trust Fund for the Environmental Training Network in Latin America and the Caribbean, which is extended through 31 December 2009;
 - (v) MCL – General Trust Fund in support of Activities on Mercury and Other Metals, which is extended through 31 December 2009;
 - (vi) WPL – General Trust Fund to provide Support to the Global Environment Monitoring System/Water Programme Office and to Promote its Activities, which is extended through 31 December 2009.
- (b) Technical cooperation trust funds:
 - (i) BPL – Technical Cooperation Trust Fund for the Implementation of the Agreement with Belgium (financed by the Government of Belgium), which is extended through 31 December 2009;
 - (ii) ELL – Technical Cooperation Trust Fund to Strengthen the Institutional and Regulatory Capacity of Developing Countries in Africa, which is extended through 31 December 2009;
 - (iii) GNL – Technical Cooperation Trust Fund in Support of the Coordination Office of the Global Programme Action for the Protection of the Marine Environment from Land-based Activities (financed by the Government of the Netherlands), which is extended through 31 December 2009;
 - (iv) IAL – Technical Cooperation Trust Fund for Ireland Aid Multilateral Environment Fund for Africa (financed by the Government of Ireland), which is extended through 31 December 2009;
 - (v) REL – Technical Cooperation Trust Fund for the Promotion of Renewable Energy in the Mediterranean Region, which is extended through 31 December 2009;
 - (vi) SEL – Technical Cooperation Trust Fund for the Implementation of the Agreement with Sweden (financed by the Government of Sweden), which is extended through 31 December 2010;

3. *Approves* the closure of the following trust funds by the Executive Director subject to completion of their activities and clearance of all financial implications:

- (i) PPL – General Trust Fund in Support of the Preparation and Negotiation of an Internationally Legally Binding Instrument for the Application of the Prior Informed Consent Procedure for Certain Hazardous Chemicals in International Trade;
- (ii) SDL – Technical Cooperation Trust Fund for the Secondment of a UNEP Senior Officer to the Commission on Sustainable Development Secretariat of the Intergovernmental Panel on Forests (financed by the Government of the Netherlands);

4. *Approves* the change of the name of the General Trust Fund in Support of the Preparation of a Global Assessment of Mercury and its Compounds to “General Trust Fund in Support of Activities on Mercury and Other Metals” – MCL;

2. **Trust funds in support of regional seas conventions, protocols and special funds**

5. *Notes and approves* the establishment of the following trust funds since the twenty-third session of the Governing Council:

- (a) General trust funds:
 - (i) AVL – General Trust Fund for Voluntary Contribution in respect of the Agreement on the Conservation of African-Eurasian Migratory Waterbirds, which was established in 2006 with an expiry date of 31 December 2008;
 - (ii) MVL – General Trust Fund for Voluntary Contribution in Support of the Convention on the Conservation of Migratory Species of Wild Animals, which was established in 2006 with an expiry date of 31 December 2008;
 - (iii) SCL – General Trust Fund for the Stockholm Convention on Persistent Organic Pollutants, its Subsidiary Bodies and the Convention Secretariat, which was established in 2006 with no fixed expiry date;
 - (iv) SVL – Special Trust Fund for the Stockholm Convention on Persistent Organic Pollutants, its Subsidiary Bodies and the Convention Secretariat, which was established in 2006 with no fixed expiry date;
- (b) Technical cooperation trust funds:
 - (i) CCL – Technical Cooperation Trust for the Management of UNEP/GEF Special Climate Change Fund Programme, which has no fixed expiry date;
 - (ii) VBL – Voluntary Trust Fund to Facilitate the Participation of Indigenous and Local Communities in the Work of the Convention on Biological Diversity, which was established in 2006 with an expiry date of 31 December 2008;

6. *Approves* the extensions of the following trust funds subject to the Executive Director of the United Nations Environment Programme receiving requests to do so from the relevant Governments or contracting parties:

- (a) General trust funds:
 - (i) BCL – Trust Fund for the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, which is extended through 31 December 2010;
 - (ii) BDL – Trust Fund to Assist Developing Countries and other Countries in need of Technical Assistance in the Implementation of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, which is extended through 31 December 2010;
 - (iii) BEL – General Trust Fund for Additional Voluntary Contributions in Support of Approved Activities under the Convention on Biological Diversity, which is extended through 31 December 2009;

- (iv) BGL – General Trust Fund for the Core Programme Budget for the Biosafety Protocol, which is extended through 31 December 2009;
 - (v) BHL – Special Voluntary Trust Fund for Additional Voluntary Contributions in Support of Approved Activities of the Biosafety Protocol, which is extended through 31 December 2009;
 - (vi) BTL – General Trust Fund for the Conservation of the European Bats, which is extended through 31 December 2010;
 - (vii) BYL – General Trust Fund for the Convention on Biological Diversity, which is extended through 31 December 2009;
 - (viii) BZL – General Trust Fund for Voluntary Contributions to Facilitate the Participation of Parties in the Process of the Convention on Biological Diversity, which is extended through 31 December 2009;
 - (ix) CRL – Regional Trust Fund for the Implementation of the Action Plan for the Caribbean Environment Programme, which is extended through 31 December 2009;
 - (x) CTL – Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora, which is extended through 31 December 2011;
 - (xi) EAL – Regional Seas Trust Fund for the Eastern African Region, which is extended through 31 December 2011;
 - (xii) ESL – Regional Trust Fund for the Implementation of the Action Plan for the Protection and Development of the Marine Environment and Coastal Areas of East Asian Seas, which is extended through 31 December 2009;
 - (xiii) MEL – Trust Fund for the Protection of the Mediterranean Sea against Pollution, which is extended through 31 December 2009;
 - (xiv) PNL – General Trust Fund for the Protection, Management and Development of Coastal and Marine Environment and the Resources of the Northwest Pacific Region, which is extended through 31 December 2009;
 - (xv) ROL - General Trust Fund for the Operational Budget of the Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, which is extended through 31 December 2008;
 - (xvi) SOL – General Trust Fund for Financing Activities on Research and Systematic Observations relevant to the Vienna Convention, which is extended through 31 December 2015;
 - (xvii) WAL – Trust Fund for the Protection and Development of the Marine Environment and Coastal Areas of West and Central African Region, which is extended through 31 December 2011;
- (b) Technical cooperation trust funds:
- (i) BIL – Special Voluntary Trust Fund for Voluntary Contributions to Facilitate the Participation of Parties, in particular the Least Developed and the Small Island Developing States amongst them, and Parties with Economies in Transition (Biosafety Protocol) , which is extended through 31 December 2009;
 - (ii) GFL – Technical Cooperation Trust Fund for UNEP Implementation of the Activities Funded by the Global Environment Facility with no fixed expiry date;
 - (iii) RVL – Special Trust fund for the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, which is extended through 31 December 2008;

7. Approves the closure of the following trust funds by the Executive Director subject to completion of their activities and clearance of all financial implications:

- (i) SPL – Technical Cooperation Trust Fund for the UNEP/GEF Strategic Partnership.

II. Amendment of the General Procedures governing the Operations of the Fund of the United Nations Environment Programme

2. Paragraph 5 of article VI of the General Procedures governing the Operations of the Fund of the United Nations Environment Programme reads as follows:

“Subject to paragraph 4 above, the Executive Director, on behalf of and under the authority of the Governing Council, shall approve projects within the apportionment of resources for Fund Programme Activities, and allocate funds for such projects within the approved Fund programme. However, the Executive Director shall submit to the Governing Council any project which, because of its policy implications or magnitude, deserves the Governing Council’s consideration and approval. The Executive Director shall also submit to the Governing Council for approval any project which he considers should be executed directly by the Executive Director”.

3. Cases have arisen where it has been necessary for the Executive Director to make appropriate and necessary arrangements in intersessional periods of regular sessions of the Governing Council in order to implement the approved UNEP programme of work or undertake activities in accordance with the mandate from General Assembly resolution 2997 (XXVII), which have policy implications.

4. Due to the ambiguity of the current provision, there is a need to clarify the language of article VI, paragraph 5 of the General Procedures, to allow the Executive Director to make timely decisions during intersessional periods of regular sessions of the Governing Council. It is therefore proposed that paragraph 5 of article VI of the General Procedures be amended to read as follows:

“Subject to paragraph 4 above, the Executive Director, on behalf of and under the authority of the Governing Council, shall approve projects within the apportionment of resources for Fund Programme Activities, and allocate funds for such projects within the approved Fund programme. However, the Executive Director shall submit to the Governing Council any project which, because of its policy implications or magnitude, deserves the Governing Council’s consideration and approval. In cases where the Executive Director is required to make a timely decision during intersessional periods of regular sessions of the Governing Council, he may make appropriate and necessary arrangements in order to implement the approved UNEP programme of work or undertake activities in accordance with the mandate from General Assembly resolution 2997 (XXVII) which have policy implications, subject to reporting those arrangements at the next regular session of the Governing Council. The Executive Director shall also submit to the Governing Council for approval any project which he considers should be executed directly by the Executive Director”.

5. The Committee of Permanent Representatives will be informed of such appropriate and necessary arrangements as may be made by the Executive Director during intersessional periods of regular sessions of the Governing Council.

III. Management of trust funds

6. The present chapter describes the various actions that the Executive Director has taken and intends to take with regard to the trust funds managed by UNEP.

A. Background

7. The United Nations system has two types of trust funds, namely, technical cooperation trust funds and general trust funds. Technical cooperation trust funds are those that provide economic and social development assistance to developing countries. In UNEP this category includes the trust funds that finance the employment of Junior Professional Officers and Senior Programme Officers. General trust funds support activities other than those of an exclusively technical cooperation nature.

B. Trust funds

8. In addition, UNEP distinguishes between the following categories of trust funds:

- (a) Those that provide direct support for implementation of the UNEP programme of work;
- (b) Those that provide support for UNEP-administered conventions, protocols and regional seas programmes;
- (c) Those belonging to a special category of trust funds supporting activities supported by UNEP.

9. As of 15 November 2006, there were 81 active trust funds, distributed as shown in the following table:

Table 1: Active trust funds as of 15 November 2006

Description	General trust funds	Technical cooperation trust funds (general)	Technical cooperation trust funds (personnel)	Total
Direct support for UNEP programme of work				
Number on 1 March 2005	16	9	16	41
New trust funds	1	3	0	4
(Less those completed or to be closed)	(1)	0	(1)	(2)
Subtotal as of 15 November 2006	16	12	15	43
Support for conventions, regional seas programmes and protocols				
Number on 1 March 2005	22	5	0	27
New trust funds	4	1	-	5
Less those completed or to be closed	0	0	0	0
Subtotal as of 15 November 2006	26	6	0	32
Special category of trust funds				
Number on 1 March 2005	1	5	0	6
New trust funds	0	1	0	1
Less those completed or to be closed	0	(1)	0	(1)
Subtotal as of 15 November 2006	1	5	0	6
Total number of UNEP trust funds	43	23	15	81

10. The special trust funds category includes the Trust Fund for the Multilateral Fund under the Montreal Protocol on Substances that Deplete the Ozone Layer, for which UNEP acts as treasurer and accounts for the receipts and disbursement of resources (which include promissory notes). UNEP is also one of the implementing agencies of the Multilateral Fund programme of work and has established a separate trust fund, the Technical Cooperation Trust Fund for UNEP Implementation of Multilateral Fund Activities. Trust funds funded by the Global Environment Facility (GEF), for which UNEP is an implementing agency, also fall under this category. These are the Technical Cooperation Trust Fund for the Management of the UNEP/GEF Special Climate Change Fund Programme (SCCF); the Technical Cooperation Trust Fund for UNEP's Implementation of the Activities Funded by the Global

Environment Facility, which is the main trust fund for implementation by UNEP of the GEF programme of work; the Technical Cooperation Trust Fund for the Implementation of the Global Environment Facility Fee-Based System for Funding Project Implementation, which provides administrative support for implementation by UNEP of the GEF programme; the Technical cooperation Trust Fund for the Management of the UNEP/GEF National Adaptation Programme of Action for Least Developed Countries; and the Technical Cooperation Trust Fund for the Provision of Support to the Global International Waters project, financed by the Government of Finland.

11. Over the period between the twenty-third session of the Governing Council and 15 November 2006, the Executive Director established ten new trust funds, of which four provide direct support for the UNEP work programme, five provide support for conventions and one falls within the special category of trust funds and specifically relates to GEF.

12. It should be noted that the programmes of work and objectives of the trust funds established by UNEP fall within the approved UNEP programme of work.
