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## REVIEW AND APPROVAL OF THE FUND PROGRAMME FOR 1973/1974

Note by the Executive Director

### A. INTRODUCTION

1. Resolution 2997 (XXVII), adopted by the General Assembly on 15 December 1972, provides in its section 1, paragraph 2 (g) that the Governing Council shall review and approve annually the programme of utilization of resources of the Environment Fund. In implementation of this provision, Article VIII of the draft General Procedures governing the operations of the Environment Fund provides that the Governing Council shall approve the Fund Programme. In so doing the Governing Council would authorize the allocation of funds to cover the following main categories of expenditure, within the estimates of resources expected to be available:

- (i) Projects;
- (ii) Fund Programme Reserve activities;
- (iii) Programme support costs;
- (iv) Administrative costs of the Fund.

2. Should the Governing Council agree to the draft text of Article VIII, it would wish accordingly to approve the Fund Programme for 1973 and 1974.

3. The attention of the Governing Council is invited to the uncertainty that presently exists as to the actual amounts which might be pledged by governments that have not yet indicated their intention in this regard, and also as to the timing of the receipt of the amounts already pledged. These circumstances will naturally influence the actual allocation of funds for projects within the authorization to be given by the Governing Council. In any case, in respect of 1974, the Governing Council may well need to review at its second session early in that year any decision taken at this session.

ESTIMATE OF RESOURCES FOR 1973 AND 1974

On the basis of information available as of 1 May 1973, the likely resources of the Fund for 1973 are estimated 1/ as follows:

Amounts received

\$

Canada	100,000
F. Rep. Germany	31,446 (DM. 100,000)
Netherlands	250,000
U.K.	46,900 (£20,000)

Amounts pledged

Australia	500,000 (1/5 of 5 year pledge)
Botswana	1,417 (S.A. Rand 1,000)
Canada	900,000
Finland	30,000 (1/5 of 5 year pledge)
France	1,324,500 (FF. 6,000,000)
Iceland	2,000 (1973 contribution)
Japan	1,000,000
Malta	1,350 (M. 500)
Netherlands	50,000
New Zealand	64,000 (1/5 of 5 year pledge)
Norway	402,700 (N. Kr. 2,376,000)
Sweden	1,000,000 (S.Kr. 5,000,000)
U.K.	980,000 (1/5 of 5 year pledge)
U.S.A.	<u>4,456,200</u> (Between now and 1976 on a 40-60 matching basis)

TOTAL \$ 11,140,513 or 11,000,000 approximately

In 1974, assuming that countries having pledged contributions in 1973 will contribute at least equivalent amounts in 1974, the following tentative estimates 1/ are made:

1/ Subject in certain cases to parliamentary approval

Australia	500,000	(1/5 of 5 year pledge)
Botswana	1,417	
Canada	1,625,000	(1/4 of amount outstanding for remaining 4 yrs of 5 yr pledge)
Finland	30,000	(1/5 of 5 year pledge)
Fed. Rep. Germany	2,120,000	(DM. 6,000,000)
France	1,324,500	(FF. 6,000,000)
Iceland	2,000	
Japan	2,250,000	(1/4 of amount outstanding for remaining 4 years of 5 yr. pledge)
Malta	1,350	
Netherlands	300,000	
New Zealand	64,000	(1/5 of 5 year pledge)
Norway	402,700	
Sweden	1,000,000	
Switzerland	309,600	(SF. 1,000,000)
U.K.	980,000	
U.S.A.	7,273,433	

TOTAL \$ 18,184,000 or 18,000,000 approximately

### C. FINANCIAL RESERVE

6. The Governing Council will have noted that the draft financial rules to be promulgated by the Secretary-General, <sup>2/</sup> provide that the financial resources of the Fund are to be available at all times to the maximum extent possible, subject only to the maintenance of a Financial Reserve, which shall guarantee the financial liquidity and integrity of the Fund Programme, and meet such other requirements as may be decided upon by the Governing Council.

7. The draft financial rules also provide that the level of the Financial Reserve shall be determined from time to time by the Governing Council on the recommendation of the Executive Director.

8. The experience of the United Nations Development Programme, as now also applied to the World Population Fund, has shown that a Financial Reserve at approximately 7.5 per cent of resources is desirable.

9. The Executive Director accordingly recommends that the Financial Reserve be maintained for 1973 and 1974 at the level of 7.5 per cent of resources, pending a further determination at a later stage founded on experience of the way the Fund will operate. On this basis, in the financial year 1973 it is expected that the Financial Reserve will amount to \$625,000 with a further \$525,000 to be credited to the Financial Reserve in 1974.

<sup>2/</sup> See document UNEP/GC/L.1

PROJECTS

Article VIII of the draft General Procedures provides for the approval of projects on the basis of estimates of future resources and their apportionment under such conditions as may be laid down by the Governing Council on the recommendation of the Executive Director. The Executive Director would accordingly intend to make suitable recommendations to the Governing Council at its second session, taking account of the experience gained in the first year of the implementation of the Fund Programme.

In the meanwhile, the Governing Council may wish to consider authorizing the allocation of funds for project activities for 1973 and 1974 as follows:

<u>1973</u>	<u>1974</u>
\$ 5,500,000	\$ 16,000,000

In respect of the apportionment of those resources for 1973, the secretariat is to proceed on the basis of certain preliminary assumptions concerning the Programme are presented in Chapter II of document UNEP/GC/5. The consequential apportionment of resources by programme groups would be as follows:

Table I: Projects: Apportionment of resources by programme groups  
(in millions of Dollars)

		<u>1973</u>
Pollutants	1	0.5
Atmosphere	2	0.3
Oceans	3	0.5
Energy	4	0.3
Disasters	5	0.2
Information	6	0.3
Planning	7	0.2
Land and water	8	0.5
Settlement Systems	9	0.6
Genetics	10	0.5
Wildlife and Parks	11	0.3
Economics and Trade	12	0.3
Population	13	0.2
Educ. and culture	14	0.5
Institutions	15	0.3
<b>TOTAL</b>		<b>5.5.</b>

As regards the apportionment of resources for 1974, it would be the intention of the Executive Director to present specific proposals to the Governing Council at its first session in the light of the consideration of objectives and priorities within the Programme which will have taken place at that time.

E. FUND PROGRAMME RESERVE ACTIVITIES

14. The draft financial rules provide for the establishment of a Fund Programme Reserve to meet unforeseen needs, to finance unanticipated projects or phases of projects and to meet such other purposes as may be determined from time to time by the Governing Council.

15. At this early stage in the development of the Programme, which is preliminary to the adoption of a Programme by the Governing Council at its second session in 1974, it might be desirable to establish the Fund Programme Reserve at a relatively high level to ensure appropriate flexibility, in particular in respect of pre-programming activities. It is therefore recommended that for 1973 the Fund Programme Reserve be established at a level of 15 per cent of the allocations authorized in respect of projects. For 1974 a lower proportion might be advisable, and a level of 10 per cent of the resources allocated for projects is suggested.

16. The Governing Council may thus wish to consider establishing the Fund Programme Reserve for 1973 and 1974 as follows:

<u>1973</u>	<u>1974</u>
\$ 825,000	\$ 1,600,000

F. PROGRAMME SUPPORT COSTS

17. The Governing Council may wish to consider authorizing the allocation of funds for programme support costs as follows:

<u>1973</u>	<u>1974</u>
931,000	1,364,000

18. Table II-A gives the manning table of staff to be employed on programme support.

Table II-A. Programme Support Manning Table

	<u>1973</u>	<u>1974</u>
Senior Programme Advisers (D.1/D.2)	2	3
Senior Programme Officers (hqs.) (P.5)	3	3
Programme Officers (Headquarters) (P.1/P.4)	4	7
General service support to above, (GS)	10	14
Regional representatives (D.1)	5	5
Programme Officers (regions) (P.4)	5	5
General service support to above, (GS)	15	15
Director for Technical Assistance and Training (D.1/D.2)	1	1
Senior Technical Assistance Officer (P.5)		1
Technical Assistance Officer (P.3)		1
General service support to above, (GS)	1	4
Senior Liaison Officer (P.5)	1	1
General service support to above, (GS)	1	1

In keeping with the arrangements provided in General Assembly resolution 2997 (XXVII), the Environment Fund is to be utilized to ensure the development and maintenance within the UNEP of such capacity as may be necessary for the adequate implementation of that resolution.

In order to complement the nine professional posts provided for substantive programme staff in the manning table of the small secretariat financed by the regular budget of the United Nations (1 ASG, 3 D.2, 2 P.5, 3 P.4), provision is made for 2 Senior Programme Advisers (D.1/D.2) in 1973 and 3 in 1974; 3 Senior Programme Officers (P.5) in each of the years 1973 and 1974; and 4 Programme Officers (P.1/P.4) in 1973 and 7 in 1974. These officials are required to strengthen the secretariat in its work on the fifteen programme groups which are described in document UNEP/CC/5.

It is proposed to appoint a regional representative (D.1), supported by one officer (P.4) and 3 general service staff (G.5) at the headquarters of each of the regional economic commissions and of UNESOB. The regional representatives shall keep the Executive Director informed of developments within the commissions and with regard to co-operation between their member states in the field of the environment; maintain continued liaison with other regional bodies which play an active role in the environment field; report on actions and programmes within the regions either financed by the Environment Fund or reported upon by the Executive Director to the Governing Council; promote possible regional or sub-regional activities, either as part of world-wide programmes of UNEP or as distinct programmes in a given area, in particular in ecological regions; and generally keep the Executive Director informed of developments of interest in the region in the field of environment.

The Director of Technical Assistance and Training (D.1/D.2), supported in 1974 by the addition of 2 posts (1 P.5, 1 P.3), will generally be responsible for the development of the activities of the secretariat pertaining to the training of personnel in the environment field, as well as in response to requests for assistance from Governments. He shall in particular develop the policies designed to help Governments providing assistance in fields consonant with the aims of UNEP to do so as effectively as possible, and Governments seeking assistance in such fields to obtain the most effective assistance, in implementation of the requirement contained in the draft General Procedures governing the operations of the Environment Fund. Provision is also made for 1 General Service (GS) post in 1973 and 4 in 1974 in support of the posts mentioned above.

The Senior Liaison Officer (P.5), assisted by 1 General Service (GS) post shall develop and maintain relations as between the secretariat, in particular for the purposes of the Environment Fund, and international and national non-governmental organizations, in accordance with the requirements of section III, paragraph 6 of General Assembly resolution 2997 (XXVII).

19. Table II-B gives a detailed breakdown of programme support costs estimates.

Table II-B. Environment Fund Programme Support Estimated Requirements for 1973 and 1974

	<u>1973</u> \$	<u>1974</u> \$
Salaries		
Established posts		
(a) Professional	347,000	684,000
(b) General Service	150,000	273,000
General Temporary Assistance	50,000	55,000
Overtime and night differential	20,000	22,000
Common staff costs	134,000	198,000
Travel on official business		
Staff travel to official meetings	35,000	40,000
Staff travel -- other	65,000	80,000
General operating expenses		
Rental and maintenance of premises	20,000	25,000
Rental and maintenance of furniture, equipment and vehicles, including maintenance supplies	5,000	7,000
Communications	25,000	65,000
Miscellaneous (includes hospitality and computer services)	15,000	26,000
Supplies and materials		
Stationery and office supplies	5,000	12,000
Internal reproduction supplies (including printing)	58,000	65,000
Library books and supplies	7,000	10,000
Public information supplies	25,000	30,000
Acquisition of furniture and equipment		
Office furniture and equipment	44,000	4,000
Vehicles	30,000	-
Other equipment	6,000	1,000
Total Gross	1,041,000	1,597,000
Less:		
Income from staff assessment	(110,000)	(253,000)
Total Net	931,000	1,364,000

# ADMINISTRATIVE COSTS OF THE FUND

10. At this early stage, it is not yet possible to set out in any detail the administrative structure which will be necessary to ensure the management of the Fund. Estimates have been made, however, of likely staff requirements for this purpose.

11. It is intended that the administrative support of the staff engaged in the management of the Fund will be provided by the Executive Office of UNEP, rather than by developing two separate administrative servicing units, i.e. one for the Secretariat financed by the regular budget of the United Nations and another for the Fund and Management. For this purpose, a reinforcement of the operative capacity of the Executive Office through a number of additional posts should be provided from the resources of the Fund.

12. The Governing Council may wish to consider authorizing the allocation of funds for the administrative costs of the Fund as follows:

<u>1973</u>	<u>1974</u>
642,000	1,057,000

13. Table III-A gives the manning table of staff to be employed in the administration of the Fund.

Table III-A

Fund Administration Manning Table

A.

Fund Management

	<u>1973</u>	<u>1974</u>
Director (D.2)	1	1
Deputy Director (D.1)	1	1
Senior Management Officers (P.5)	2	4
Management Officers (P.1/P.4)	7	10
General service support to above (GS)	10	15

B.

Support to UNEP Executive Office

Assistant Finance Officer (P.3)	1	1
General Service Officer (P.2)	1	1
Documents Officer (P.2)	1	1
General service support (GS)	8	8

A. Fund Management

The management of the Fund will be the responsibility of the Director, who reports to the Executive Director of UNEP. The Director of the Fund would be supported by a Deputy Director, and it is proposed that 1 Management Officer (P1/P4) assist the Director as part of his personal office.

Provision is made for 2 Senior Management Officers (P5) in 1973 and 4 in 1974, as well as for 6 Management Officers (P1/P4) in 1973 and 9 in 1974 in addition to the P1/P4 post referred to in the preceding paragraph. Among the functions to be carried out by these officers would be those pertaining to resources (establishment and maintenance of relations with potential voluntary



contributors to the Fund and with potential counterpart contributors to projects, and centralization of information regarding fund resources including data on incoming funds, allocations issued to co-operating agencies and supporting organizations, and remittances); procedures and policies (development of the General Procedures governing the operations of the Fund, detailed policies and methods for the implementation of such procedures and development of the Fund Programme in consultation with substantive divisions of the secretariat and in co-operation with United Nations family and other organizations); project preparation and implementation (co-operation with substantive divisions of the secretariat and United Nations family and other organizations in developing particular projects within the Fund Programme and arranging for agreement on the provision of the various inputs to projects, preparation of project proposals for approval and project documents consequent on approval, servicing the machinery within the secretariat established to recommend projects for the approval of the Executive Director, co-ordination of the provision of the various inputs as mentioned in project documents, supervision of the administrative implementation of projects, assistance in evaluation of projects during implementation and of results achieved after completion); financial management (implementation of the Financial Rules of the Fund and development of appropriate policies and procedures in this regard, preparation of documentation for intergovernmental and inter-agency meetings on financial matters relevant to the Fund, accounts policies and the methods and procedures for carrying out such policies, estimates of resources and Fund Programme costs, review of budget proposals and preparation of preliminary budget estimates, budgetary and fiscal control of expenditures, control of the obligations incurred under the budget, and review of the status of expenditures and obligations, management of currencies, interpretation of all financial statements, schedules and reports); and functions to be exercised in the Liaison Office at Geneva (elements of the functions mentioned above which call for permanent liaison with the organizations of the United Nations system located in Europe). Staff requirements also include a provision of 2 posts in each year to strengthen the immediate office of the Executive Director, since in terms of the draft General Procedures governing the operations of the Fund certain responsibilities concerning the Fund devolve directly on the Executive Director.

General service posts (GS) (10 in 1973 and 15 in 1974) are provided to support the officials carrying out the functions listed above.

#### (B) Support to UNEP Executive office

As against maintaining a separate administrative facility to service the Fund Management, it is considered more economical to strengthen the Executive Office. For this purpose 3 professional officers (see table above) and 8 general service (GS) posts are provided in each of the years 1973 and 1974.

24. Table III-B gives the detailed breakdown of administrative costs estimates.

Ann. ITU-D. Environment Fund Administrative Estimated Requirements for 1973 and 1974

	<u>1973</u> \$	<u>1974</u> \$
Salaries		
Established posts		
(a) Professional	204,000	376,000
(b) General Service	102,000	220,000
General Temporary Assistance	50,000	55,000
Consultants	50,000	60,000
Overtime and night differential	15,000	17,000
Person staff costs	106,000	170,000
Travel on official business		
Official travel to official meetings	20,000	35,000
Staff travel - other	50,000	75,000
Actual operating expenses		
Rental and maintenance of premises	7,000	25,000
Rental and maintenance of furniture, equipment and vehicles, including maintenance supplies	3,700	10,700
Communications	23,500	71,500
Miscellaneous (including hospitality, computer services and insurance)	19,300	34,800
Supplies and materials		
Stationery and office supplies	5,000	16,000
Internal reproduction supplies	8,000	20,000
Acquisition of furniture and equipment		
Office furniture and equipment	30,000	3,000
Vehicles	10,000	-
Other equipment	5,000	1,000
Total Gross	705,000	1,190,000
Less:		
Personnel staff assessment	(67,000)	(133,000)
Total Net	642,000	1,057,000

Annex 1

SUMMARY OF FIGURES RELATING TO ALLOCATION OF RESOURCES

	<u>1973</u> \$	<u>1974</u> \$
Gross resources	11,000,000	18,000,000
Financial reserve at 7.5 per cent	<u>825,000</u>	<u>525,000</u>
<u>Net resources</u>	<u>10,175,000</u>	<u>17,475,000</u>
Projects	5,500,000	16,000,000
Fund Programme Reserve at 15 per cent of projects	825,000 at 10%	1,600,000
Programme Support Costs	931,000	1,364,000
Administrative costs	<u>642,000</u>	<u>1,057,000</u>
<u>Fund Programme</u>	<u>7,898,000</u>	<u>20,021,000</u>
Carried over to 1974		2,277,000
Deficit in 1974		269,000