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REVISED GENERAL PROCEDURES GOVERNING THE OPERATIONS OF THE FUND OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

Note by the Executive Director

1. The adoption of the concept of the System-wide Medium-term Environment Programme (SWMTEP), in conjunction with medium-term planning and integrated planning, programming budgets and evaluation concepts in the United Nations system, marks a move away from a project-oriented to a programming-oriented approach in UNEP. The preparation of SWMTEP requires certain changes in the general procedures governing the operations of the Fund of UNEP, designed:

(a) To bring the concept of "medium-term plan" as used in the procedures into line with concepts now applied in the United Nations system, and required by the General Assembly;

(b) To make explicit the manner in which the resources of the Fund are to be used to bring about the achievement of specific, time-bound objectives at the sub-programme level in SWMTEP, in the context of the totality of activities and measures to be devoted to achieving those objectives;

(c) To simplify and expedite co-operation between UNEP and the co-operating agencies in the United Nations system. It should be noted that ACC, in its report to the Governing Council (UNEP/GC.8/4) has stated that the burden placed upon co-operating agencies, partly because of UNEP administrative procedures, has become excessive.

2. The proposed revised procedures, which do not introduce any changes affecting the prerogatives of the Governing Council or the responsibilities of the Executive Director, take into account the experience of operating the Fund with the present procedures over a period of seven years. The general procedures were adopted by the Governing Council in decision 2 (I) of 22 June 1973 and amended by decision 40 (III), section II, of 30 April 1975.

3. In order to facilitate comparison, the text, where revised, is shown in the annex side-by-side with the present text.

4. It is suggested that the revised procedures take effect on 1 January 1984, the date on which SWMTEP commences. However, consideration of the revisions at the present session will facilitate the process of preparation of SWMTEP, which will commence almost immediately.

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GENERAL PROCEDURES GOVERNING THE OPERATIONS OF THE
FUND OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

CHAPTER I. INTRODUCTION

Article IArticle IDefinitionsDefinitions

For the purpose of these general procedures the following definitions shall apply:

Text unchanged

(a) "Fund" means the Fund of the United Nations Environment Programme established by the resolution;

(a) "Fund" means the Environment Fund of the United Nations Environment Programme established by General Assembly resolution 2997 (XXVII) of 15 December 1972;

(b) "Governing Council" means the Governing Council of the United Nations Environment Programme;

(b) Text unchanged

(c) "Government" means the Government of any State which is eligible for membership of the Governing Council;

(c) Text unchanged

(d) "Co-operating agency" means the United Nations, a specialized agency or the International Atomic Energy Agency when co-operating in the Fund Programme or in a project, or when carrying out activities in co-operation with the Fund within the meaning of the resolution;

(d) "Co-operating agency" means the United Nations or a subsidiary body, a specialized agency or the International Atomic Energy Agency when carrying out activities within the meaning of the resolution;

(e) "Supporting organization" means an organization outside the United Nations system, as referred to in Section III, paragraph 6, of the resolution when carrying out activities supported by the Fund;

(e) "Supporting organization" means an organization outside the United Nations system, as referred to in section III, paragraph 6, of the resolution;

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- (f) "ACABQ" means the Advisory Committee on Administrative and Budgetary Questions; (f) Text unchanged
- (g) "The Secretary-General" means the Secretary-General of the United Nations or the Officer to whom he has delegated authority or responsibility for the matter in question; (g) Text unchanged
- (h) "The Executive Director" means the Executive Director of the United Nations Environment Programme or the Officer to whom he has delegated authority or responsibility for the matter in question; (h) Text unchanged
- (i) "Fund Programme" means the programme of utilization of resources of the Fund to which reference is made in Section 1, paragraph 2 (g) of the resolution; (i) "Fund utilization" includes the following:
 - Financial Reserve
 - Programme Support and Administrative Costs
 - Fund-supported activities
 - Reserve for Fund-supported activities
- (j) "Fund Programme activities" means the constituent part of the Fund Programme which have been approved by the Governing Council for the apportionment of resources; (j) "System-wide programme" means the system-wide medium-term environment programme approved by the Governing Council, which is structured into programmes, sub-programmes and programme elements and is prepared on the basis of the methodology approved by the Governing Council, reflecting an integrated planning, programming, budgeting and evaluation process;
- (k) "Programme cluster" means a cluster of related programmes in the system-wide programme, for which the Governing Council shall apportion funds;
- (l) "Sub-programme implementation agreement", hereinafter referred to as "agreement", means the agreement signed by UNEP and the co-operating agencies involved, for the attainment of objectives agreed at the level of each sub-programme, on the basis of which Fund resources will be

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committed. Each agreement will include the objectives, a work plan, a budget, pertinent background and supporting data and any special arrangements applicable to the implementation of the said agreement;

(k) "Project" means an activity separately identified within a fund programme activity and is for management purposes a single financial transaction for a specific purpose and a finite period of time;

(m) "Project" means a programme element separately identified within a sub-programme which is carried out by a supporting organization or directly contracted by UNEP;

(l) "Project document" means a formal document covering a project, as defined in paragraph (k) above which includes the objectives, a work plan, a budget, pertinent background and supporting data and any special arrangements applicable to the execution of the said project;

(n) "Project document" means a formal document covering a project, as defined in paragraph (m) above which includes the objectives, a work plan, a budget, pertinent background and supporting data and any special arrangements applicable to the implementation of the said project;

(m) "Financial Reserve" means the reserve account established to ensure the financial liquidity and integrity of the Fund, to compensate for uneven cash inflows, and to meet such other similar requirements as may from time to time be decided upon by the Governing Council;

(o) "Financial Reserve" means the reserve account established to ensure the financial liquidity and integrity of the Fund, to compensate for uneven cash inflows, and to meet such other similar requirements as may from time to time be decided upon by the Governing Council;

(n) "Fund Programme Reserve" means the reserve established for each biennial budget cycle at a level sufficient to meet unforeseen needs to finance unanticipated projects or phases of projects and to meet such other purposes as may be determined by the Governing Council;

(p) "Reserve for Fund-supported activities" means the reserve established for each biennial budget cycle at a level sufficient to meet unforeseen needs, to finance unanticipated sub-programme or project requirements, and to meet such other purposes as may be determined by the Governing Council;

(o) "Resources" available to the Fund consist of:

- (i) Voluntary contributions pledged or paid by Governments, and those paid by supporting organizations and non-governmental sources;
- (ii) Miscellaneous income;

(q) "Resources" available to the Fund consist of:

- (i) Voluntary contributions pledged or paid by Governments, and those paid by supporting organizations and non-governmental sources;
- (ii) Miscellaneous income;

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p) "Allocation" means the authority given to the Executive Director to assign resources from the Fund for one or more specific purposes;

q) "Commitment" means the full extent of any liability entered into by the Executive Director or under authority delegated by him in regard to projects within the allocation issued;

r) "Expenditure" means the disbursement of funds by the Executive Director for the discharge of a commitment or a part thereof;

(r) "Allocation" means the authority given by the Executive Director within appropriations approved by the Governing Council to assign resources from the Fund for one or more specific purposes;

(s) "Commitment" means the full extent of any liability entered into by the Executive Director in regard to agreements and projects within the allocation issued;

(t) In the case of co-operating agencies, "expenditure" means the disbursement of funds by the Executive Director for the discharge of a commitment or part thereof, in accordance with arrangements agreed with the co-operating agencies. ^{1/} In the case of supporting organizations or projects executed by direct contracting, expenditure means the reported actual expenditure on the project by the supporting organization. In the case of "internal" projects, expenditure means the total of funds disbursed or obligations incurred in respect of such projects;

CHAPTER II: RESOURCES OF THE FUND

Article II

Resources

The financial resources of the Fund shall be derived from voluntary contributions and other sources as defined in the Financial Rules.

Text unchanged

^{1/} A note on such arrangements appears in the appendix to this annex.

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Article III

Pledges

1. Governments may pledge contributions to the Fund at any time. Text unchanged
2. Voluntary contributions may be pledged either on an annual basis or for a number of years. Whenever possible, Governments will pledge their contributions for a number of years. Text unchanged
3. At the request of the Governing Council, the Secretary-General shall convene a Pledging Conference at which Governments may announce their contributions to the Fund. Text unchanged

Article IV

Management of Resources

The resources of the Fund shall be acquired, authorized, administered, used and disposed of in conformity with the Financial Rules. Text unchanged

Article V

Trust Funds

Within the framework of the Fund, trust funds may be established by the Executive Director with the approval of the Governing Council for specified purpose consistent with the policies, aims and activities of the Fund. The purpose and limits of each trust fund shall be clearly defined. The Financial Rules shall apply to any trust fund established under this article. Text unchanged

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CHAPTER III: UTILIZATION OF THE FUND

Article VI

Responsibilities of the Governing Council and of the Executive Director

1. The Governing Council shall provide general policy guidance with a view to ensuring that the necessary resources of the Fund are employed with maximum efficiency and effectiveness in pursuance of the purposes of the system-wide programme. To this end, commitments may be entered into 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.

2. The Executive Director shall prepare and submit to the Governing Council his estimates of resources and proposals for Fund utilization within the context of the system-wide programme.

3. The Governing Council shall authorize the necessary appropriation of funds to cover the following main categories of expenditure:

- (a) Financial Reserve;
- (b) Programme support and administrative costs;
- (c) Fund-supported activities;
- (d) Reserve for Fund-supported activities.

4. Within the appropriation for Fund-supported activities, the Governing Council shall apportion funds by programme cluster.

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CHAPTER III: APPROVAL AND IMPLEMENTATION OF THE FUND PROGRAMME

Article VI

Responsibilities of the Governing Council and of the Executive Director

1. The Governing Council shall provide general policy guidance with a view to ensuring that the resources of the Fund are employed with maximum efficiency and effectiveness in pursuance of the purposes of the Fund. To this end, projects may be approved 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.

2. The Executive Director shall prepare and submit to the Governing Council the Fund programme and detailed fund programme activities together with a medium-term plan incorporating estimates of resources and expenses. The Fund programme activities presented to the Governing Council shall incorporate as much detail as is feasible, including operational activities and envisaged estimates of expenditure.

3. The Governing Council shall approve the Fund programme and shall exercise effective control over its constituent Fund programme activities, apportioning resources to them and controlling their use. In so doing, the Governing Council shall authorize the necessary allocation of funds to cover the following main categories of expenditure:

- (a) Fund programme activities;
- (b) Fund programme reserve activities;
- (c) Programme and programme support costs.

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4. When approving the Fund programme activities the Governing Council shall, if it so decides, request the Executive Director to submit to it for consideration and approval, without prejudice to pre-programming activities, any or all projects to be carried out within approved Fund Programme Activities.

5. When approving Fund utilization the Governing Council shall, if it so decides, request the Executive Director to submit to it for consideration and approval, without prejudice to pre-programming activities, any or all agreements or projects to be carried out within the approved system-wide programme.

5. 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.

6. Subject to paragraph 5 above, the Executive Director, on behalf of and under the authority of the Governing Council, shall sign agreements and approve projects within the apportionment of resources for Fund-supported activities, and allocate funds for them within the approved system-wide programme. However, the Executive Director shall submit to the Governing Council any agreements or projects which, because of their policy implications or magnitude, deserve the Governing Council's consideration and approval.

6. The Governing Council shall be informed at each session of all projects approved in the interval which has elapsed since its previous session, and of progress made in the implementation of projects.

7. The Governing Council shall be informed at each session of all agreements signed and projects approved in the interval which has elapsed since its previous session, and of progress made in their implementation.

7. In addition to exercising such responsibilities for the approved Fund programme as may be delegated to him by the Governing Council, the Executive Director shall be responsible and accountable to the Governing Council for all phases and aspects of the implementation of the Fund programme as provided in article VII below.

8. In addition to exercising such responsibilities for the approved Fund utilization as may be delegated to him by the Governing Council, the Executive Director shall be responsible and accountable to the Governing Council for all phases and aspects of implementation as provided in article VII below.

Article VII

Article VII

The Executive Director

The Executive Director

1. The Fund shall be administered by the Executive Director under the policy guidance of the Governing Council. The Executive Director shall have overall responsibility for the operations of the Fund, including

1. The Fund shall be administered by the Executive Director under the policy guidance of the Governing Council. The Executive Director shall have overall responsibility for the operations of the Fund,

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including direct responsibility and accountability to the Governing Council for the management and implementation of Fund utilization in all its aspects. He shall have sole authority to submit proposals for Fund utilization to the Governing Council.

Text unchanged.

Article VIII

Formulation of agreements and projects

1. The Executive Director shall formulate on a continuous basis such agreements and projects as are necessary to implement the system-wide programme approved by the Governing Council, within the limits of the resources available to the Fund, taking due account of the special needs of the developing countries.
2. The objectives which an agreement or project are designed to achieve shall derive from the objectives of the system-wide programme at the sub-programme level; they shall be identified by the Executive Director and included in the agreement or project document, as shall the follow-up action expected to be taken consequent on their completion. The establishment of a basis for such follow-up action may in appropriate cases be a suitable objective for an agreement or project.
3. In the agreement or project document, the Executive Director shall describe all financial, technical, managerial and other resources required for the successful implementation of the agreement or project.

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direct responsibility and accountability to the Governing Council for the management and implementation of the Fund programme in all its aspects. He shall have sole authority to submit the proposed Fund programme to the Governing Council.

2. He shall have authority on behalf of the Fund and under the authority of the Governing Council to enter into such arrangements, including contractual agreements, consistent with these general procedures and with the Financial Rules, as may be necessary or appropriate for the efficient and effective operation of the Fund.

Article VIII

Formulation of projects

1. The Executive Director shall formulate on a continuous basis such projects as are necessary to accomplish the Fund programme activities approved by the Governing Council within the limits of the resources available to the Fund, taking due account of the special needs of the developing countries.
2. The objectives which a project is designed to achieve shall be identified by the Executive Director and included in the project document, as shall be the follow-up action expected to be taken consequent on the completion of the project. The establishment of a basis for such follow-up action may in appropriate cases be a suitable objective for a project.
3. In the project document, the Executive Director shall describe all financial, technical, managerial and other resources required for the successful implementation of the project.

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4. Arrangements for the execution of projects shall accord with general guidelines to be approved by the Governing Council on the recommendation of the Executive Director.

5. Detailed arrangements for the execution of each project, including a budget estimate showing the financial implications of the project in its entirety, shall be specified in the project document.

6. Apart from his regular consultations with Governments, the Executive Director shall periodically consult the Environment Co-ordination Board, especially on matters relating to this article.

Article IX

Selection of co-operating agencies and supporting organizations

The Executive Director shall designate the co-operating agencies and supporting organizations that are necessary for the implementation of each project, giving particular attention to the capacity available within the United Nations system.

Article X

Responsibility for the provision of resources

The project document shall identify the Governments, co-operating agencies and supporting organizations which have assumed responsibility for providing the various resources mentioned in article VIII, paragraph 3, above and the role they will assume in the implementation of the project in question.

~~Delete, as the paragraph is redundant~~

5. Detailed arrangements for the implementation of each agreement or project, including a budget estimate showing financial implications in their entirety, shall be specified in the agreement or project document.

6. Apart from his regular consultations with Governments, the Executive Director shall periodically consult the Administrative Committee on Co-ordination, especially on matters relating to this article.

Article IX

Selection of co-operating agencies and supporting organizations

The Executive Director shall designate the co-operating agencies and supporting organizations that are necessary for the implementation of each agreement or project, giving particular attention to the capacity available within the United Nations system.

Article X

Responsibility for the provision of resources

The agreement or project document shall identify the Governments, co-operating agencies and supporting organizations which have assumed responsibility for providing various resources mentioned in article VIII, paragraph 3, above and the role they will assume.

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Article XI

Implementation of projects.

1. Where necessary to ensure the maximum effectiveness of the system-wide programme or to increase its capacity, and with due regard to the cost factor and the need to make effective use of the capacity of the United Nations system, use may appropriately be made, with due regard to the principle of equitable geographic distribution, of suitable services obtained from governmental and non-governmental sources, including individual experts, the procurement of equipment, supplies, and services, and the provision of training facilities available in countries in which projects are being implemented. In selecting these services, preference will be given, with due respect to the need to ensure the effective and efficient use of the Fund, to securing the services of experts, other personnel, equipment, supplies, training facilities and other services from the developing countries.

~~/Delete/~~

Article XII

Capacity within the United Nations Environment Programme for the implementation of the resolution

The Fund shall be utilized to ensure the development and maintenance within the United Nations Environment Programme of such capacity as may be necessary for the adequate implementation of the General Assembly resolution 2997(XXVII) and of decisions of the Governing Council.

Article XI

Execution of Projects

1. Where necessary to ensure the maximum effectiveness of the Fund programme or to increase its capacity, and with due regard to the cost factor and the need to make effective use of the capacity of the United Nations system, use may appropriately be made, with due regard to the principle of equitable geographic distribution, of suitable services obtained from governmental and non-governmental sources, including individual experts, the procurement of equipment, supplies, and services, and the provision of training facilities available in countries in which projects are being implemented. In selecting these services, preference will be given, with due respect to the need to ensure the effective and efficient use of the Fund, to securing the services of experts, other personnel, equipment, supplies, training facilities and other services from the developing countries.

2. The Executive Director is authorized to carry out projects, subject in each case to the approval of the Governing Council as provided in article VI, paragraph 6, above.

Article XII

Capacity within the United Nations Environment Programme for the implementation of the resolution

The Fund shall be utilized to ensure the development and maintenance within the United Nations Environment Programme of such capacity as may be necessary for the adequate implementation of the resolution, and the decisions of the Governing Council.

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Article XIII

Facilities provided by agencies

For services additional to those of his staff, the Executive Director shall rely, as appropriate, on the existing facilities of the United Nations, the specialized agencies and the International Atomic Energy Agency.

Article XIV

Reports

The Executive Director shall submit annual and, where appropriate, special reports to the Governing Council in accordance with his accountability for the implementation of the Fund programme in all its aspects and with emphasis on the concept of performance reporting.

Text unchanged

Article XIV

Reports

The Executive Director shall submit annual and, where appropriate, special reports to the Governing Council in accordance with his accountability for Fund utilization in all its aspects and with emphasis on the concept of performance reporting.

Appendix

ARRANGEMENTS TO BE AGREED WITH CO-OPERATING AGENCIES

Cash advances

The co-operating agency shall estimate its cash requirements for all agreements combined for each quarter, taking into account the amount of cash disbursed in the previous quarter and including a reasonable amount to cover "lead time" for the next remittance, and send a cabled request to the Chief of UNEP's Finance Section to transfer that sum for expenditure in the following quarter.

Remittance of cash

On the basis of the cabled request for funds, UNEP shall transfer funds to the co-operating agency in the form of a lump sum for all agreements combined.

Accounts

The co-operating agency shall also submit to UNEP accounts showing the amounts of cash disbursed under each separate agreement, and the amounts obligated for future disbursement. These accounts shall be submitted quarterly as at 31 March, 30 June, 30 September and 31 December, and shall be reported in line with the budgets contained in the agreements.
