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Environment Programme**



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**GLOBAL MINISTERIAL ENVIRONMENT FORUM
PROGRAMME, THE ENVIRONMENT FUND AND ADMINISTRATIVE AND
OTHER BUDGETARY MATTERS**

ADMINISTRATIVE AND OTHER BUDGETARY MATTERS

Report of the Executive Director

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* UNEP/GC.21/1.

1. Consultations on stable, adequate and predictable funding of the United Nations Environment Programme (UNEP)

1. The Governing Council, in its decision 20/33, requested the Executive Director to initiate a process of consultations with Governments and other relevant parties, directly and through the Committee of Permanent Representatives and the High-level Committee of Ministers and Officials, in order to fully develop a strategy for stable, adequate and predictable funding for UNEP. In the same decision, the Council requested the Executive Director to take initial action on the strategy prior to its finalization through the consultative process and its approval by the Governing Council.

2. In addition to decision 20/33, the context for developing the resource mobilization strategy was provided by the General Assembly in its resolution 50/227 of 24 May 1996. It stated that the governing bodies of United Nations funds and programmes should take decisions on their own funding arrangements, and stressed the importance of keeping member States informed about those arrangements.

3. The other key components of the legislative authority for the development of the UNEP resource mobilization strategy are provided by the Nairobi Declaration, the Malmö Ministerial Declaration and the Guidelines on Cooperation Between the United Nations and the Business Community, issued by the Secretary-General in July 2000.

4. In pursuance of Governing Council decision 20/33, UNEP launched a process of consultations with Governments, United Nations bodies and other international organizations, non-governmental organizations and the business community, as well as in-house discussions.

5. First, senior management held an informal meeting with selected permanent representatives from different regions. The meeting considered the broad outline of a development strategy and a schedule of work. UNEP then organized a series of internal brainstorming sessions to identify the main causes of financial difficulties experienced by the organization in recent years, the problems of resource mobilization at UNEP, and possible recipes for improving the financial stability of the organization. Following the internal discussions, UNEP approached selected United Nations bodies and other international organizations with a good record of and experience in raising funds. Bilateral meetings and analysis of the policy documents of such organizations as the United Nations Children's Fund, the United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization, the United Nations Population Fund, the World Bank, the Consultative Group on International Agricultural Research and the Environmental Liaison Centre International, facilitated further the elaboration of a structured approach to the development of UNEP's resource mobilization strategy.

6. The first outline strategy paper was circulated to all UNEP programme divisions as well as to the United Nations Office at Nairobi (UNON), in July 1999. On the basis of the comments and recommendations received, the paper was reworked and presented to the Committee of Permanent Representatives at a Joint meeting of Subcommittees I and II in August 1999.

7. Consultations continued in-house and with selected countries, United Nations agencies and relevant members of the business and non-governmental organization communities, including the UNEP national committees. The Senior Management Group of UNEP considered the draft strategy in April 2000 and submitted it for further consideration by the Committee of Permanent Representatives.

8. The strategy focuses on the following objectives:

- (a) To stabilize, increase and make more predictable the financing of UNEP activities from traditional sources;
- (b) To broaden the donor base within the governmental and non-governmental sectors;
- (c) To stimulate creative fund-raising, including income-generating activities, social marketing, special events and the use of the Internet;
- (d) To restructure the financing of the programme by dividing it into a core programme, a regular supplementary programme, and special initiatives and emergency activities.

9. The Committee of Permanent Representatives considered the draft strategy at joint meetings of Subcommittees I and II in July and October 2000 and expressed its general support for the development of the document. While regarding the Environment Fund as the main source of funding for UNEP, the participants reconfirmed the need to broaden the donor base. They were of the view that the core of UNEP's support must comprise contributions from Governments, while encouraging UNEP to develop further new approaches and fund-raising initiatives stimulating contributions from non-traditional sources including business and the non-governmental sector. They agreed that the working group on the preparations for the twenty-first session of the Council should consider the draft strategy.

10. Suggested action by the Governing Council will be found in section 5 below.

2. The cost of the administration of trust funds and related contributions and activities

11. After considering a report by the Executive Director on the cost of administering trust funds, the Governing Council observed that the administration of trust-fund related activities costs UNEP more than the 13 per cent programme support costs levied on trust fund expenditure. In its decision 20/35 it suggested that corrective measures should be taken to ensure at least that the programme support cost charged is levied at the 13 per cent rate - the normal rate mandated by the United Nations. In addition, the Governing Council called for appropriate actions aimed at reducing the cost of providing programme support services to trust funds.

12. The present report, prepared in response to decision 20/35, outlines the various actions the Executive Director has taken and the recommendations that have been made. The summary findings of this report reveal that the cost of administering the trust funds no longer imposes a burden on the Environment Fund or on the 13 per cent programme support cost levied to trust fund expenditures.

13. At present the full 13 per cent programme support cost continues to be levied on all trust fund expenditure with the important exceptions of the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer (13 per cent of personnel costs), the United Nations Fund for International Partnerships (UNFIP) (5 per cent) and GEF Trust funds (fee-based system). However, in a past departure from practice, since 1 January 2000, charges are being levied on expenditure financed directly from convention-related counterpart contributions. Finally, to ensure that no activity becomes a burden to UNEP, no expenditure is incurred until confirmation that a contribution (whether a trust fund or counterpart contribution) has been received.

14. UNEP has strictly adhered to the United Nations guidelines on administration of programme support costs financed from extrabudgetary funds (ST/AI/286) in issuing direct allocations to trust fund financed-units, programmes and projects. In each case an assessment is carried out to determine the extent to which the programme support cost charged contributes to the funding of administrative support. This exercise ensures that trust-fund financed units, programmes and projects do not incur a disproportionate burden on the programme support charges levied. The current estimate of the programme support cost allotments for

2000 is \$7.3 million. The direct allocation provided from the programme support costs to trust-fund-financed units, programmes and projects is 55 per cent of this total (\$4.1 million).

15. UNEP has taken the necessary steps to ensure that programme activities are no longer funded by the income provided from programme support costs. The only posts funded are administration or fund programme management officer posts deployed to administer the activities of trust funds. The remainder of the budget (\$3.2 million) is provided to UNON and other administrative units for central administrative services, none of which are programme activities.

16. In decision 20/35, the Governing Council directed UNEP to be more accountable as concerns the utilization of programme support costs. UNEP and UNON had expected the Integrated Management Information System (IMIS), scheduled for implementation in mid-1999, to provide a good alternative to the use of time sheets and transaction-based accounting, as it is a transaction-based package – and thus one able to provide all the necessary data on resources required to finance activities under the trust funds. Unfortunately, owing to systematic difficulties in the introduction of IMIS in other regions, full implementation of IMIS in Nairobi has been delayed and is now scheduled for April 2001.

17. Given this situation and mindful of the need to address the concerns of the Governing Council, the UNON administration has reviewed activity-based costing and transaction processing in the different administrative units. The interim findings based on requirements for 2000, as set out in annex I, clearly indicate that resources dedicated by UNON to the provision of services for trust funds are commensurate with the level of funding as indicated in paragraph 14 above.

18. It is still not possible to provide a detailed breakdown of each trust fund, but the Executive Director is confident that this can be provided to the Committee of Permanent Representative at the end of 2001. Further rationalization of the use of resources accruing from the 13 per cent programme support charge will be based upon the outcome of the ongoing consultations between UNON, UNEP, the United Nations Centre for Human Settlements (Habitat) and others.

3. Management of trusts funds and counterpart contributions

19. In the United Nations system, there are 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 financing personnel in the shape of Junior Professional Officers (JPOs) and Senior and other Programme Officers. General trust funds support activities other than those that are exclusively of a technical cooperation nature.

20. As in the past, UNEP establishes trust funds whose programmes and objectives fall within the UNEP programme of work.

21. UNEP further distinguishes between trust funds that provide direct support to the Environment Fund programme, those that provide support to UNEP-supported conventions, protocols and regional seas programmes, and those belonging to the special category of activities supported by UNEP.

22. As at 31 October 2000, there were 98 active trust funds, falling in the following categories (table 1):

Table 1

	General trust funds	Technical cooperation trust funds (general)	Technical Cooperation trust funds (personnel)	Special trust funds	Total
Direct support to UNEP	20	32	24	0	76
Support to conventions, regional seas programmes and protocols	15	1	1	0	17
Special category of trust funds	0	3	1	1	5
Total	35	36	26	1	98

23. Under the special trust funds category is the Trust Fund for the Multilateral Fund for the Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer. UNEP acts as the Treasurer to the Multilateral Fund and accounts for the receipt and disbursement of resources (including promissory notes). It reports to the Executive Committee of the Multilateral Fund and the United Nations system in general. UNEP is also one of the implementing agencies of the Multilateral Fund programme and has established a separate trust fund for incomings and outgoings on programme implementation. This category also includes the trust funds funded by GEF, for which UNEP is an implementing agency. The Technical Cooperation Trust Fund for the Global Environment Facility is the main trust fund for UNEP's implementation of the GEF programme, while the Technical Cooperation Trust Fund for the Strategic Partnership Projects implementation by UNEP of special initiatives approved by GEF. The Technical Cooperation Trust Fund for the Fee Based Programme of the Global Environment Facility ^{1/} funds the provision of administrative support in implementation of the GEF programme by UNEP. The last in this category is the Technical Cooperation Trust Fund for the Provision of an Executive Assistant to the Office of the Executive Director, which constitutes neither direct support to the UNEP Environment Fund programme nor to the UNEP supported conventions, protocols and regional seas programmes.

24. Since the twentieth session of the Governing Council, the Executive Director has established 12 new trust funds, which fall in the following categories (table 2):

^{1/} Although there are three trust funds relating to the Global Environment Facility, in the tables annexed to document UNEP/GC.21/INF/2 (see paragraphs 25 *et seq.*, below) they are consolidated as one entry.

Table 2New trust funds established since the twentieth session of the Governing Council

	General trust funds	Technical cooperation trust funds (general)	Technical cooperation trust funds (personnel)	Special trust funds	Total
Direct support to UNEP	4	2	1	0	7
Support to conventions, regional seas programmes and protocols	3	0	0	0	3
Special category of trust funds	0	2	0	0	2
Total	7	4	1	0	12

25. A complete listing as at 31 October 2000 of all the trust funds active during part or all of the biennia 1998-1999, 2000-2001 and 2002-2003, including brief descriptions of their programme objectives and details of their dates of establishment and expiry, is presented in document UNEP/GC.21/INF/2, annex I.

26. In decision 19/24 B, the Governing Council requested a comprehensive summary with a description of programmes or activities undertaken by programmatic trust funds, indicating the infrastructure required within UNEP to manage and administer those trust funds. Subsequently, in its decision SS.V/1, the Council called on the Executive Director to ensure that trust fund and counterpart contributions other than contributions to conventions and the contributions from the GEF were clearly and directly related to the core programme areas identified in the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme and to seek further funding from those and other sources.

27. In response to decision 19/24 B, the Executive Director is presenting trust fund expenditure by subprogrammes in line with UNEP's programme of work. During 1998-1999 actual expenditure from the trust funds amounted to \$329.2 million; the summarized distribution of this expenditure between the five subprogrammes of the 1998-1999 UNEP programme of work is presented in table 3 below, while document UNEP/GC.21/INF/2, annex II (A), presents a summary of actual 1998-1999 trust funds expenditure by subprogramme, dividing it into three broad categories, namely: (a) expenditure directly supporting UNEP's programme of work; (b) that supporting conventions, protocols, regional seas programmes and their secretariats; and (c) that supporting special accounts and trust funds. Details of expenditure under the individual trust funds by subprogramme can be found in document UNEP/GC.21/INF/2, annex II (B).

Table 3

1998 - 1999 actual trust fund expenditure

Sub-programme	General trust funds	Technical cooperation trust funds (general)	Technical cooperation trust funds (personnel)	Special trust funds	Total
<u>Direct support to UNEP</u>					
Sustainable management and use of natural resources	3,701,510	1,240,866	1,279,339	0	6,221,715
Sustainable production and consumption	0	14,463,018	566,948	0	15,029,966
A better environment for human health and well being	4,607,857	4,736,342	1,803,595	0	11,147,794
Globalization and the environment	365,099	2,578,664	540,125	0	3,483,888
Global and regional servicing and support	1,184,482	2,302,937	1,114,775	0	4,602,194
	9,858,948	25,321,827	5,304,783	0	40,485,558
<u>Conventions/protocols/regional seas programmes</u>					
	53,498,074	319,385	109,355	5,942,205	59,869,019
<u>Special accounts and trust funds</u>					
Multilateral Fund	0	0	0	202,321,650	202,321,650
GEF	0	26,496,492	0	0	26,496,492
	0	26,496,492	0	202,321,650	228,818,142
Total	63,357,022	52,137,704	5,414,138	208,263,855	329,172,719

28. For 2000–2001 the estimated trust fund amounts expenditure to \$524.9 million; the breakdown is presented in table 4 below. Document UNEP/GC.21/INF/2, annex III (A) presents a summary of 2000–2001 estimated trust fund expenditure under UNEP's seven subprogrammes, divided into the same three broad categories as those used in annex II (A) of the same document. The details of revised expenditure under the individual trust funds by subprogramme can be found in document UNEP/GC.21/INF/2, annex III (B).

Table 4

Estimates of 2000–2001 trust fund expenditure

Subprogramme	General trust funds	Technical cooperation trust funds (general)	Technical cooperation trust funds (personnel)	Special trust funds	Total
<u>Direct support to UNEP</u>					
Environmental assessment and early warning	0	6,499,621	1,082,903	0	7,582,524
Environmental policy development and law	344,900	2,464,045	911,138	0	3,720,083
Environmental policy implementation	27,885,666	3,658,031	1,889,247	0	33,432,944
Technology, Industry and economics	4,378,750	27,864,956	2,252,475	0	34,496,181
Regional cooperation and representation	200,796	541,796	1,481,719	0	2,224,311
Environmental conventions	3,282,107	0	441,280	0	3,723,387
Communications and public information	644,002	0	0	0	644,002
Total	36,736,220	41,028,449	8,058,762	0	85,823,431
<u>Conventions, protocols and regional seas programmes</u>					
	64,851,008	0	113,212	5,435,915	70,400,135
<u>Special accounts and trust funds</u>					
Multilateral Fund	0	0	0	332,500,685	332,500,685
GEF	0	36,000,000	0	0	36,000,000
Executive Assistant (JPO)	0	0	256,001	0	256,001
	0	36,000,000	256,001	332,500,685	368,756,686
Total	101,587,228	77,028,449	8,427,975	337,936,600	524,980,252

29. Projected 2002–2003 trust funds expenditure amounts to \$501.2 million; the breakdown among UNEP's seven subprogrammes is presented in table 5 below. Document UNEP/GC.21/INF/2, annex IV (A) presents a summary of 2002–2003 revised estimates trust fund expenditures by UNEP's seven subprogrammes, separating them into three broad groupings, namely: (a) those directly supporting UNEP's work programme; (b) those supporting conventions, protocols, regional seas programmes and their secretariats; and (c) those supporting special accounts and trust funds. The details of expenditure under the individual trust funds by subprogramme can be found in document UNEP/GC.21/INF/2, annex IV (B).

Table 5

Projected trust funds expenditures in 2002–2003

Subprogramme	General trust funds	Technical cooperation trust funds (general)	Technical cooperation trust funds (personnel)	Special trust funds	Total
<u>Direct support to UNEP</u>					
Assessment and early warning	0	6,322,472	1,572,800	0	7,895,272
Environmental policy development and law	0	2,500,000	768,960	0	3,268,960
Environmental policy implementation	16,100,277	3,484,585	2,489,280	0	22,074,142
Technology, industry and economics	5,500,000	23,963,695	3,735,760	0	33,199,455
Regional cooperation and representation	400,000	232,040	1,356,800	0	1,988,840
Environmental conventions	2,395,585	0	603,120	0	2,998,705
Communications and public information	676,605	0	0	0	676,605
	25,072,467	36,502,792	10,526,720	0	72,101,979
<u>Conventions, protocols and regional seas programmes</u>					
	54,797,177	0	0	6,000,000	60,797,177
<u>Special accounts and trust funds</u>					
Multilateral Fund	0	0	0	331,936,600	331,936,600
GEF	0	36,100,000	0	0	36,100,000
Executive Assistant (JPO)	0	0	313,600	0	313,600
	0	36,100,000	313,600	331,936,600	368,350,200
Total	79,869,644	72,602,792	10,840,320	337,936,600	501,249,356

30. In accordance with rules 204.1 to 204.2. of the Financial Rules of the Fund of the United Nations Environment Programme, the Executive Director may accept counterpart contributions in the form of agreed contributions from Governments or cooperating agencies or supporting organizations or others made in cash or in kind for the cost of specific services and facilities as set out in individual project documents.

31. Expenditure funded by counterpart contributions has increased steadily over the years, from an initial expenditure of \$1.3 million in the biennium 1982-1983 to \$17.3 million in 1998-1999. It is expected to reach \$20.7 million in 2001-2002. Of the total expenditure of \$17.3 million in the biennium 1998-1999, \$15.5 million was spent as direct support to UNEP's programme of work and \$1.8 million on activities under conventions, regional seas programmes and protocols. This was an overall increase of \$1.9 million over the previous biennium.

32. It is estimated that expenditure funded by counterpart contributions in support of UNEP's programme of work in 2002-2003 will be \$16.1 million and \$13.4 million respectively. The predicted decline in counterpart contribution expenditure in 2002-2003 is based on the assumption that UNEP will be successful in persuading donors to direct more resources through the Environment Fund instead of in the form of counterpart contributions. At the same time, it is estimated that counterpart contributions for conventions, regional seas programmes and protocols will increase from \$4.5 million in 2000-2001 to \$6.8 million in 2002-2003. The assumption is based on increasing willingness by donors to support the participation of developing countries in meetings and other activities under conventions, regional seas programmes and protocols.

33. A comparison of actual expenditure for the biennium 1998-1999, revised estimated expenditure for 2000-2001 and projected expenditure for 2002-2003 appears in table 6:

Table 6

COUNTERPART CONTRIBUTIONS - 1998-1999, ACTUAL EXPENDITURE - 2000-2001, REVISED ESTIMATED EXPENDITURE AND 2002-2003 PROJECTED EXPENDITURES BY UNEP SUBPROGRAMME AND IN SUPPORT OF CONVENTIONS, PROTOCOLS AND REGIONAL SEAS PROGRAMMES				
1998 – 1999 Actual expenditures			2000-2001 Revised estimated expenditures	2002-2003 projected expenditures
Sustainable management and use of natural resources	3,814,896	Assessment and early warning	2,137,532	1,745,223
Sustainable production and consumption	5,006,118	Environmental policy development and law	2,123,832	1,879,471
A better environment for human health and well being	633,230	Environmental policy implementation	1,587,845	1,342,479
Globalization and environment	2,170,127	Technology, industry and economics	7,910,837	6,578,147
Global and regional servicing and support	3,868,000	Regional cooperation and representation	1,520,408	1,073,983
		Environmental conventions	454,060	536,992
		Communications and public information	395,877	268,496
Total UNEP Environment Fund activities	15,492,371	Total UNEP Environment Fund activities	16,130,391	13,424,790
Total conventions, protocols, & regional seas	1,814,010	Total conventions, protocols, & regional seas	4,531,313	6,796,969
Total	17,306,381	TOTAL	20,661,704	20,221,759

34. Suggested action by the Governing Council on this topic will be found in section 5 below.

4. The ombudsman

35. In decision 20/41, on the functioning of the Ombudsman Unit, the Governing Council invited the Executive Director to extend the services of the unit to other United Nations entities if so requested by them, requested an evaluation report on the functioning of the Unit, decided to review the operations of the Unit at its twenty-first session and requested all relevant information and reports regarding the Unit to be submitted to it at its twenty-first session.

36. The Executive Director submitted the requested evaluation report on the functioning of the Ombudsman Unit and its terms of reference to the Committee of Permanent Representatives on 7 April 1999, and he extended Ombudsman services to UNCHS (Habitat) by means of an inter-agency agreement

signed on 23 June 2000. He circulated his report on the activities of the Unit in 1999 to members of the Council on 15 June 2000, as required by decision 18/42. His report on the activities of the Ombudsman Unit in 2000 is due in late January 2001.

37. The Ombudsman's office has continued to provide a valuable service to the organization and its staff through the provision of complimentary, yet independent, counsel on rights-related issues and matters concerning the expatriate status of United Nations staff in Nairobi.

38. An average of over 1,000 cases are handled per year, over 60 per cent of which concern staff rights, entitlements and allowances. Included in this figure is an average of 230 briefings per year to acquaint staff members and interns with their rights under the United Nations Staff Regulations and Rules.

39. Internal enquiries into the administration of staff rights and entitlements number between 40 and 60 per year, with a gradual reduction in cases over the past two years. Such enquiries generally have supported the organization's actions. Where the organization has been found at fault, it has been the result of poor training or the non-circulation of current rules or policies. In such cases the Ombudsman has made recommendations for remedial action.

40. There is an average of about 50 mediation cases per year. These concern disputes within offices regarding supervisory controls and performance appraisal and where there has been a breakdown in communication between the parties. Counselling on career-related issues and workplace-related stress accounts for a further 130 cases annually.

41. Issues related to staff members' expatriate status in Nairobi number between 180 and 230 per year. These figures include cases involving the provision of legal advice regarding rights and entitlements of domestic staff, leases for rental property, vehicle purchase and insurance, work permits for spouses, etc. Some of the mediation referred to above also related to property rental issues or labour disputes.

42. One requirement set by the Commission on Human Settlements at its seventeenth session for the extension of Ombudsman services to that entity was that the Commission at its eighteenth session review the financial implications of such a move. Thus the inter-agency agreement between UNEP and UNCHS (Habitat) entered into on 23 June 2000 stipulated that a breakdown on usage rates, by agency, should be prepared no later than three months prior to the Commission's eighteenth session. The Ombudsman Unit complied with this request on 16 November 2000. Figures for each agency covering the period 1 April (prior to the inter-agency agreement) through 15 November showed a usage rate (compensated for degrees of complexity of issue addressed) of 574.7 points (43% of caseload) from UNEP; 435.2 points (32%) from UNON; and 344.5 points (25%) from UNCHS (Habitat). These figures, however, make no allowance for those matters addressed on behalf of the staff as a whole. Thus it was considered correct to factor in one point per staff member and to add these points to the figures cited above to find a more equitable formula. The resultant figures thus emerge: UNEP 1,234.7 points (45.5%); UNON 885.2 points (32.6%); and UNCHS (Habitat) 594.5 points (21.9%).

43. Two additional points should be examined in relation to an analysis of the functioning of the Ombudsman Unit in Nairobi: the need for non-legal or rights-related counselling in Nairobi and the issue of whether to establish an ombudsman mechanism for the entire United Nations system. At the present time, UNON has yet to decide whether to recruit a staff counsellor for the Nairobi duty station. The creation of such a post would reduce the amount of time the Ombudsman spends on non-core activities. The Secretariat-wide discussion on the establishment of an ombudsman mechanism follows the examination of the administration of justice in the United Nations by the Joint Inspection Unit in 2000. ^{2/} The Joint Inspection Unit recommended the creation of an ombudsman function to replace the current Panel on Discrimination and Other Grievances. The recommendation calls for access to the ombudsman by staff members at all duty

^{2/} "Administration of justice at the United Nations", prepared by Fatih Bouayad-Agha and Homero L. Hernández, Joint Inspection Unit, Geneva (JIU/REP/2000/1), presented to the Fifth Committee at the fifty-fifth session of the General Assembly.

stations through, inter alia, persons or panels appointed at those duty stations. It might therefore be prudent for the Council to await the outcome of these deliberations before deciding on the ultimate fate of the UNEP Ombudsman Unit at Nairobi.

44. UNEP intends to enter into discussions with UNCHS (Habitat) and UNON to find an equitable method of sharing costs and rationalizing the use of the Ombudsman Unit in the future.

45. The Governing Council is not required to take action on this matter.

5. Suggested action by the Governing Council

A. Stable, adequate and predictable funding of the United Nations Environment Programme

The Governing Council may wish to adopt a decision along the following lines:

The Governing Council

Recalling the Nairobi Declaration on the Role and Mandate of the United Nations Environment Programme and the Malmö Ministerial Declaration, both of which emphasized, inter alia, the need to broaden financial basis of the United Nations Environment Programme and make it more predictable in order for the United Nations Environment Programme to undertake its mandate effectively,

Concerned that the total financial resources for the implementation of the Programme of Work of the United Nations Environment Programme have not increased over the last 3 years and the annual contributions to the Environment Fund have decreased from about \$47.5 million in 1998 to \$44.0 million in 1999 and to an estimated \$41.3 million in 2000,

Concerned further that support from the United Nations regular budget has not increased in the implementation of the Programme of Work of the United Nations Environment Programme,

Expressing its appreciation to those Governments that have increased their contributions to the Environment Fund, trust funds and counterpart contributions since 1998,

1. Approves the strategy on resource mobilization for the United Nations Environment Programme, as contained in the report of the Executive Director (UNEP/GC.21/7/Add.1);

2. Requests the Executive Director to implement the strategy, and keep Governments informed of the progress in its implementation;

3. Reiterates the need to broaden donor basis contributing to stable, adequate and predictable funding of the United Nations Environment Programme;

4. Calls upon Governments as well as other relevant parties to provide stable and predictable financial and other resources to the United Nations Environment Programme, taking into account the strategy on resource mobilization for the United Nations Environment Programme.

B . Management of trusts funds and counterpart contributions

The Governing Council may wish to adopt a decision along the following lines:

The Governing Council

1. Notes and approves the establishment of the following trust funds since the twentieth session of the Governing Council:

General trust funds

- (a) **AW** – The General Trust Fund for the Conservation of African-Eurasian Waterbirds Agreement, which was established in 2000 with an expiry date of 31 December 2002;
- (b) **BA** – The General Trust Fund for the Conservation of Small Cetaceans of the Baltics and North Seas Agreement, which was established in 2001 with an expiry date of 31 December 2003;
- (c) **BK** - The General Trust Fund for the Clean-up of Environmental Hotspots following the Kosovo Conflicts and Preparation of Guidelines on Assessment and Remedial Measures for Post-conflict Environmental Damages, which was established in 2000 with an expiry date of 31 March 2003;
- (d) **BL** – The General Trust Fund in Support of the UNEP/Habitat Balkans Task Force on Environment and Human Settlements, which was established in 1999 with an expiry date of 31 December 1999;
- (e) **BT** – The General Trust Fund for the Conservation of the European Bats Agreement, which was established in 2001 with an expiry date of 31 December 2003;
- (f) **EB** – The General Trust Fund for Implementing National Biodiversity Strategies and Action Plans, which was established in 1999 with no fixed expiry date;
- (g) **LA** – The General Trust Fund in Support of the Lusaka Agreement Task Force on Cooperative Enforcement Operations directed at Illegal Trade in Wild Fauna and Flora, which was established in 1999 with an expiry date of 31 December 2000.

Technical cooperation trust funds

- (h) **CS** – The Technical Cooperation Trust fund for the Provision of a Senior Professional Officer to UNEP (financed by the Government of Canada and other donors), which was established in 2000 with an expiry date of 31 March 2002;
- (i) **FB** – The Technical Cooperation Trust Fund for the Implementation of the Global Environment Facility Fee-based System of Funding Projects Implementation, which was established in 1999 with no fixed expiry date;
- (j) **GW** – The Technical Cooperation Trust Fund for the Provision of Support to the Global International Waters Project (financed by the Government of the United States of America), which was established in 1999 with an expiry date of 31 December 2003;
- (k) **SP** – The Technical Cooperation Trust Fund for the UNEP/GEF Strategic Partnership, which was established in 1999 with no fixed expiry date;
- (l) **UT** – The Technical Cooperation Trust Fund for the Implementation of UNEP-UNCTAD Capacity Building Task Force on Activities on Trade, Environment and Development, which was established in 2000 with no fixed expiry date.

2. Notes and approves the extension of the following trust funds by the Executive Director:

General trust funds

- (a) **BE** – The General Trust Fund for Additional Voluntary Contributions in Support of Approved Activities under the Convention on Biological Diversity, through 31 December 2002;
- (b) **BL** – The General Trust Fund in Support of the UNEP/Habitat Balkans Task Force on Environment and Human Settlements, through 31 December 2000;
- (c) **BY** – The General Trust Fund for the Convention on Biological Diversity, through 31 December 2002;
- (d) **BZ** – The General Trust Fund for Voluntary Contributions to Facilitate the Participation of Parties in the Process of the Convention on Biological Diversity, through 31 December 2002;
- (e) **CT** – The Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora, through 31 December 2002;
- (f) **MS** – The Trust Fund for the Convention on Conservation of Migratory Species of Wild Animals, through 31 December 2002.

3. Approves the extension of the following trust funds subject to the Executive Director receiving requests to do so from the relevant Governments or contracting parties:

General trust funds

- (a) **AM** – The General Trust Fund for the African Ministerial Conference on the Environment, through 31 December 2004;
- (b) **AW** – The General Trust Fund for the Conservation of African-Eurasian Waterbirds Agreement, through 31 December 2004;
- (c) **BE** – The General Trust Fund for Additional Voluntary Contributions in Support of Approved Activities under the Convention on Biological Diversity, through 31 December 2004;
- (d) **BY** – The General Trust Fund for the Convention on Biological Diversity, through 31 December 2004;
- (e) **BZ** – The General Trust Fund for Voluntary Contributions to Facilitate the Participation of Parties in the Process of the Convention on Biological Diversity, through 31 December 2004;
- (f) **CR** – The Regional Trust Fund for the Implementation of the Action Plan for the Caribbean Environment Programme, through 31 December 2003;
- (g) **CT** – The Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora, through 31 December 2004;
- (h) **EA** – The Regional Seas Trust Fund for the Eastern African Region, through 31 December 2003;
- (i) **ES** – The 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, through 31 December 2003;
- (j) **ET** – The Trust Fund for the Environmental Training Network in Latin America and the Caribbean, through 31 December 2003;

- (k) **LA** – The General Trust Fund in Support of the Lusaka Agreement Task Force on Cooperative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora, through 31 December 2003;
- (l) **ME** – The Trust Fund for the Protection of the Mediterranean Sea Against Pollution, through 31 December 2003;
- (m) **MS** – The Trust Fund for the Convention on Conservation of Migratory Species of Wild Animals, through 31 December 2004;
- (n) **PN** – The General Trust Fund for the Protection, Management and Development of Coastal and Marine Environment and the Resources of the Northwest Pacific Region, through 31 December 2003;
- (o) **WA** – The Trust Fund for the Protection and Development of the Marine Environment and Coastal Areas of West and Central African Region, through 31 December 2003.

Technical cooperation trust funds

- (p) **AH** – The Technical Cooperation Trust Fund to Assist the Implementation of Agenda 21 in Europe and to Strengthen the Pan-European Environmental Cooperation (financed by the Government of the Netherlands), through 31 December 2003;
- (q) **BS** – The Technical Cooperation Trust Fund to Support Establishment of Regional Centres under the Basel Convention (financed by the Government of Switzerland), through 31 December 2003;
- (r) **EL** – The Technical Cooperation Trust Fund to Strengthen the Institutional and Regulatory Capacity of Developing Countries in Africa (financed by the Government of the Netherlands), through 31 December 2003;
- (s) **GF** – The Technical Cooperation Trust Fund for UNEP's Implementation of the Activities Funded by the Global Environment Facility, through 30 June 2003;
- (t) **IP** – The Technical Cooperation Trust Fund to Assist Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer in Developing Countries (financed by the Government of Sweden), through 31 December 2003;
- (u) **IT** – The INFOTERRA Technical Cooperation Trust Fund (financed by the Government of the United States of America), through 31 December 2003.

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

General trust funds

- (a) **BL** – The General Trust Fund in Support of the UNEP/Habitat Balkans Task Force on Environment and Human Settlements.

Technical cooperation trust funds

- (b) **DN** – The Technical Cooperation Trust Fund in Support of the Network for Environmental Training at Tertiary Level in Asia and the Pacific (NETTLAP) (financed by the Government of Denmark);
- (c) **MH** – The Technical Cooperation Trust Fund to Promote Technical Cooperation and Assistance in Industrial, Environmental and Raw Material Management (financed by the Government of Sweden);

- (d) **TX** – The Technical Cooperation Trust Fund for the Provision of Junior Professional Officers (financed by the Government of Australia).

Annex I

PROVISIONAL SUMMARY OF ALLOCATED ANNUAL COSTS OF UNON ADMINISTRATIVE SERVICES						
SERVICE	UNCHS	UNEP EF	UNEP TF	DCS	OTHERS	TOTAL
Financial resources management service	997,261	729,278	730,950	115,500	7,112	2,580,101
Budget and funds management service	0	1,130,018	1,228,786	78,636		2,437,440
Human resources management service	523,059	862,516	667,452	197,482		2,250,509
Support services service	874,553	670,395	465,750	198,433	114,273	2,323,404
TOTAL ALLOCATED ANNUAL COSTS	2,394,873	3,392,207	3,092,938	590,051	121,385	9,591,454

% OF SHARED COSTS	25%	35%	32%	6%	1%	100%
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NOTE: Above charges do not include charged-back or billed services provided by Information Technology Service; Kenya Security Coordinator; and the United Nations Nairobi Medical Clinic.

LEGEND:

UNCHS	United Nations Centre for Human Settlements (Habitat)
UNEP EF	United Nations Environment Programme - Environment Fund
UNEP TF	United Nations Environment Programme - Trust funds
DCS	Division of Conference Services/UNON
Others	Other United Nations offices and agencies in Gigeri

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