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GENERAL PROCEDURES GOVERNING THE OPERATIONS OF THE ENVIRONMENT FUND

Note by the Executive Director

1. The General Assembly, by its resolution 2997 (XXVII) of 15 December 1972 which, *inter alia*, established the United Nations Environment Fund, decided that the Governing Council shall formulate such general procedures as are necessary to govern the operations of the Fund (resolution 2997 (XXVII); section III, paragraph 7).
2. The Executive Director submits herewith for consideration by the Governing Council, a draft of General Procedures Governing the Operations of the Environment Fund. This draft has been the object of appropriate consultations with the services directly concerned at United Nations Headquarters.
3. In due course, the Executive Director will circulate separately, for the information of the Governing Council, the text of a note which the Secretary-General will submit to the General Assembly at its twenty-eighth session concerning administrative arrangements for the Fund.
4. It will be noted that those provisions in the draft general procedures attached hereto which refer to the financial rules of the Fund will only take effect upon the promulgation of those financial rules by the Secretary-General in pursuance of appropriate action by the General Assembly.

Draft General Procedures governing the operations
of the United Nations Environment Fund

CHAPTER I. INTRODUCTION

Article I

Purposes

The United Nations Environment Fund was established by the General Assembly of the United Nations in resolution 2997 (XXVII) of 15 December 1972, hereinafter referred to as "the Resolution", which also sets out the purposes of the Fund. The present General Procedures are formulated in pursuance of section III, paragraph 7, thereof, which provides that the Governing Council shall formulate such general procedures as are necessary to govern the operations of the Environment Fund.

Article II

Definitions

For the purposes of these General Procedures, and of the Financial Rules of the Fund, the following definitions shall apply:

- (a) "Fund" means the United Nations Environment Fund established by the Resolution;
- (b) "Governing Council" means the Governing Council of the United Nations Environment Programme;
- (c) "Government" means the Government of any State which is eligible for membership of the Governing Council;
- (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;
- (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 in support of the United Nations Environment Programme, particularly those activities supported by the Fund;
- (f) "ACABQ" means the Advisory Committee on Administrative and Budgetary Questions;
- (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;
- (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;

- (i) "Programme" means the initiatives and programmes to which reference is made in the Resolution;
- (j) "Fund Programme" means the programme of utilization of resources of the Fund to which reference is made in section I, paragraph 2 (g) of the Resolution;
- (k) "Project" means an activity separately identified within the Programme for management purposes;
- (l) "Project Document" means the formal document covering the planned activities of a project, which include the immediate and long-range objectives of the project, a work plan, a budget, pertinent background and supporting data and any special arrangements applicable to the execution of the 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 requirements as may be decided upon, from time to time, by the Governing Council;
- (n) "Fund Programme Reserve" means the reserve established each year 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;
- (o) "Resources" available to the Fund consist of:
 - (i) voluntary contributions pledged or paid by Governments, and paid by Supporting Organizations and non-governmental sources; and
 - (ii) miscellaneous income;
- (p) "Allocation" means the authority given by 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 allocations issued;
- (r) "Expenditure" means the disbursement of funds by the Executive Director for the discharge of a commitment or a part thereof.

CHAPTER II. THE RESOURCES OF THE FUND

Article III

Resources

The financial resources of the Fund shall be derived primarily from voluntary contributions, as defined in the Financial Rules.

Article IV

Pledges

1. Governments may pledge contributions to the Fund at any time.
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.
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.

Article V

Management of resources

The resources of the Fund shall be acquired, administered, used and disposed of in conformity with the Financial Rules. The Executive Director shall, as necessary, report to the Governing Council on the extent to which restrictions which may have been attached to contributions have affected the flexibility, efficiency and economy of the Fund's operations.

Article VI

Trust funds

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

CHAPTER III. METHODS OF USE OF THE RESOURCES OF THE FUND

Article VII

Methods of use of the resources of the Fund

The Fund may be used to accomplish the purposes of the Programme in such forms as are compatible with the provisions of the Resolution, inter alia for:

- (a) The services of personnel;
- (b) Equipment or supplies;
- (c) Seminars, training programmes, expert working groups and related activities;
- (d) Scholarships and fellowships;
- (e) Surveys, pilot or demonstration projects, technical tests and experiments or research;
- (f) Support for basic and applied research related to the solution of environment problems, including support for existing or new research institutions; and
- (g) Action projects.

CHAPTER IV. APPROVAL AND IMPLEMENTATION OF THE FUND PROGRAMME

Article VIII

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 Governing Council shall approve the Fund Programme and shall exercise effective control of the Fund Programme, apportion resources and control their use. In so doing, the Governing Council shall authorize the necessary allocation of funds to cover the following main categories of expenditure:
 - (i) Projects;
 - (ii) Fund Programme Reserve activities;
 - (iii) Programme support costs;
 - (iv) Administrative costs of the Fund.
3. The Executive Director shall approve projects within the apportionment of resources, and allocate Funds for such projects within the approved Fund Programme.
4. Paragraph 3 above notwithstanding, the Governing Council may request the Executive Director to submit to it particular projects of any magnitude for its consideration and approval. Also, the Executive Director may submit to the Governing Council any project which, because of its policy implications or magnitude, deserves the Governing Council's consideration and approval.
5. The Governing Council shall be informed at each session of all projects approved in the interval which has elapsed since its previous session.
6. In addition to 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 XVII below.

Article IX

Formulation of projects

1. The Executive Director shall formulate on a continuous basis such projects as are necessary to accomplish the purposes of the Resolution within the limits of the resources available to the Fund.

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 by Governments, Co-operating Agencies and Supporting Organizations consequent on the completion of the project. The provision of a basis for such follow-up action may in appropriate cases be a suitable objective for a project.
3. In project documents, the Executive Director shall identify the inputs in terms of the financial, technical, managerial and other resources required for the implementation of the project.
4. Arrangements for the execution of projects shall be subject to the approval of the Executive Director, who shall consult the Governments, Co-operating Agencies or Supporting Organizations concerned as necessary.
5. Detailed arrangements for the execution of each individual project, including a budget estimate showing the financial implications of the project in its entirety, shall be specified in the project document.

Article X

Selection of Co-operating Agencies and Supporting Organizations

The Executive Director shall select the Co-operating Agencies and Supporting Organizations which will provide the inputs mentioned in Article IX, paragraph 3, above that are necessary to the implementation of each project, giving particular attention to the resources available within the United Nations system.

Article XI

Responsibility for the provision of inputs

The project document shall identify the Governments, Co-operating Agencies and Supporting Organizations which have assumed responsibility for providing the various inputs mentioned in Article IX, paragraph 3, above and the role they will assume in the implementation of the project in question.

Article XII

Agreements with Governments regarding particular projects

The Executive Director may enter into agreements with Governments regarding particular projects. Such agreements shall specify the terms and conditions which are to govern the financing and execution of such projects.

Article XIII

Direct 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, use may appropriately be made of suitable services obtained from governmental and non-governmental institutions, private firms, or individual experts, including those available in countries in which projects are being implemented.

2. In the selection of individual experts, institutions or firms, in the procurement of equipment and supplies and in the provision of training facilities, the requirement of maximum effectiveness shall be observed, with due regard to the principle of equitable geographical distribution.

3. The Executive Director is authorized to carry out projects.

Article XIV

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

1. 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.

2. The capacity mentioned in paragraph 1 above shall in particular enable the Executive Director to assist the Governing Council in its functions under section I, paragraph 2, of the Resolution, and shall also enable him effectively to fulfil his functions under Section II, paragraph 2, sub-paragraphs (b) to (e) and section III, paragraph 5, of the Resolution.

Article XV

Capacity for clearing-house type functions

1. The Executive Director shall submit proposals to the Governing Council for developing capacity within the United Nations Environment Programme, by the provision of good offices for such purposes, which will help Governments providing assistance in fields consonant with the aims of the Resolution to do so as effectively as possible, and Governments seeking assistance in such fields to obtain the most effective assistance.

2. The Governing Council may approve the financing, from the resources of the Fund, of the implementation of the proposals referred to in paragraph 1 above.

Article XVI

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.

CHAPTER V. THE EXECUTIVE DIRECTOR

Article XVII

The Executive Director

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 direct responsibility and accountability 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. He shall have authority on behalf of the Fund to enter into such 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 XVIII

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. Except when otherwise agreed, these facilities should be made available to the Fund without charge.