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## REVIEW AND APPROVAL OF THE FUND PROGRAMME FOR 1974 AND 1975

### Note by the Executive Director

#### I. INTRODUCTION

1. General Assembly resolution 2997(XXVII) provides in its section I, paragraph 2(g) that the Governing Council shall review and approve annually the programme of utilization of resources of the Fund of the United Nations Environment Programme (hereinafter referred to as "the Fund").

2. In accordance with article VI, paragraph 3 of the General Procedures governing the operations of the Fund of UNEP<sup>1/</sup>, 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 Support Costs;
- (d) Administrative Costs of the Fund."

<sup>1/</sup>

The "General procedures" were approved by the Governing Council's decision 2(I), see the Council's report on its first session, Official Records of the General Assembly, Twenty-eighth session, Supplement No. 25 (A/9025), annex I, pp.47 et seq.

\* Does not include the addenda.

3. At its first session, the Governing Council in its decision 3(I)<sup>2/</sup> decided to approve for 1973 and provisionally for 1974 the proposals of the Executive Director concerning the Financial Reserve, the Fund Programme Reserve, the Programme Support costs and the Administrative costs of the Fund as presented in document UNEP/GC/8, paragraphs 9, 16, 17 and 22 respectively, with the understanding that the appropriations for 1974 would be reviewed by it at its second session on the basis of revised and fully documented proposals and estimates. The Governing Council in the same decision also authorized the allocation of resources to be available for Fund Programme Activities until the second session of the Governing Council and decided on their apportionment.

## II. ESTIMATES OF RESOURCES FOR 1974 AND 1975

4. By the end of November 1973, sixteen Governments had paid over \$4,400,000 of voluntary contributions to the Fund for the year 1973. According to information received from other Governments it may be assumed that another \$1,700,000 will be contributed by 31 December 1973. These payments would bring the total amount of contributions made in 1973 to \$6,100,000. Further contributions of some \$6,000,000 were pledged for 1973 and are expected to be paid early in 1974. The total of paid and pledged resources for 1973 thus amounts to over \$12,000,000.

5. Since the first session of the Governing Council additional pledges have been announced for 1974 and it is now estimated that contributions of over \$22,000,000 can be expected. Contributions for 1975 are expected to exceed \$23,000,000. A list of expected contributions is given in the annex to the present document.

6. In this connexion, it will be recalled that the question of the conditions for the estimation of future resources is to be considered by the Governing Council at its second session, as a matter arising from the General Procedures governing the operations of the Fund, under item 9 of the provisional agenda. The recommendations of the Executive Director in this regard are contained in document UNEP/GC/16.

### III. FINANCIAL RESERVE

7. At its first session the Governing Council in approving the proposals of the Executive Director, decided that the Financial Reserve would be maintained at the level of 7.5 per cent of resources for the years 1973 and 1974<sup>3/</sup>. On that basis, it was expected that the Financial Reserve would amount to \$825,000 in 1973 and that a further \$525,000 would be credited to it in 1974. Because of the anticipated larger amount of resources, the Financial Reserve for 1973 may amount to \$900,000, with a further amount of \$750,000 to be credited in 1974, and \$75,000 in 1975. The Governing Council may wish to review the level of the Financial Reserve at its fourth session in 1976.

### IV. THE PROPOSED FUND PROGRAMME FOR 1974-1975

8. As indicated in paragraphs 5 and 6 above, the resources of the Fund for 1974 are now estimated at a higher level than that mentioned in document UNEP/GC/8, with the consequence that it becomes possible to plan for a higher level of Fund Programme Activities and also to make an assessment of the needs of the incipient secretariat of UNEP as it faces the challenge of undertaking the tasks entrusted to it. In the months that followed the first session of the Governing Council, the secretariat concentrated on responding to the request addressed to it that it should develop proposals for the Programme, and also initiated a number of activities in keeping with the guidance it had received from the Governing Council. In so doing, it found that a number of gaps in its structure needed to be filled and that additional staff resources were required if the secretariat is to be adequately equipped to fulfil its functions. Specific requests to that effect are accordingly submitted by the Executive Director, in the form of additions to the provisionally approved estimates for 1974, as well as of proposals for 1975. These requirements arise both in respect of Programme Support costs and in respect of the Administrative costs of the Fund; the details of the requests are set out in paragraphs 13 to 22 and 23 to 30 below. So far as Programme Support is concerned, the main proposals relate to:

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<sup>3/</sup> See para. 3 above

- (a) The establishment of a Policy Planning Unit;
- (b) The establishment of an information service; and
- (c) In 1975, a further strengthening of the technical personnel of the Programme areas and of the Technical Assistance and Training service.

So far as Administrative costs are concerned, the major requirements reflected in the requests presented by the Executive Director relate to:

- (i) The progressive strengthening of the Fund management as well as of the Division of Administration (formerly Executive Office) which, in addition to its over-all functions, ensures financial management support to the Fund; and
- (ii) A considerable strengthening in 1975 of the nucleus of language services heretofore provided through the regular budget of the United Nations.

A. Fund Programme Activities

9. At the end of November 1973, the Executive Director had requested allotments for Fund Programme Activities totalling \$2,320,000, as compared with the \$5,500,000 authorized by the Governing Council at its first session. It is expected that the full amount of \$5,500,000 will be committed for Fund Programme Activities before the second session of the Governing Council.

10. According to rule 209.1 of the Financial Rules of the Fund of UNEP: "after provision has been made annually for the programme support costs and administrative costs of the Fund, all resources not otherwise committed or reserved can be utilized for project activities". The Executive Director estimates that \$18,000,000 will be available in 1974 and \$19,000,000 in 1975 for Fund Programme Activities. Accordingly, the Executive Director recommends that the Governing Council authorize the allocation of funds for Fund Programme Activities as follows:

<u>1974</u> (Revised)	<u>1975</u>
\$18,000,000	\$19,000,000

11. In an addendum to the present document<sup>4/</sup>, the Executive Director will submit to the Governing Council his recommendations in respect of the apportionment of resources for the constituent Fund Programme Activities within the limits of the allocations for which authorization is requested above.

B. Fund Programme Reserve Activities

12. The Governing Council decided at its first session that the Fund Programme Reserve for 1974 should be established at a level representing 10 per cent of the resources allocated for Fund Programme Activities. It is proposed that the Fund Programme Reserve for 1975 should be maintained at 10 per cent of the resources authorized for Fund Programme Activities and that the level of the Fund Programme Reserve should be reviewed by the Governing Council at its fourth session in the light of experience. Accordingly, the Governing Council may wish to consider authorizing the following allocations for the Fund Programme Reserve:

<u>1974</u>	<u>1975</u>
(Revised)	
\$1,300,000	\$1,900,000

C. Programme Support Costs

13. The decisions of the Governing Council of UNEP at its first session regarding the formulation of the programme emphasize a programmatic approach (i.e. that the programme should be viewed as an organic whole). Through this approach the recurrent review of environmental activities within and outside the United Nations system will be linked to the development of the Environment Programme, and the resources of the Fund will be used in accordance with the provisions of General Assembly resolution 2997 (XXVII) to give selective support to some elements of the programme. An adequate development of this programmatic approach will require a strengthening of the secretariat from the Programme Support costs budget, and it is for this purpose that detailed proposals are made in Table I under the headings "Programme Support", "1974 Revised" and "1975 Proposed".

14. A Policy Planning Unit has been established in the Office of the Executive Director to investigate, document and evaluate the alternative approaches which may be followed in developing specific policies and in the planning of future courses of action and hence provide the basis for decisions of a policy and planning character. The Unit is headed by a Director at the D-2 level, the post being charged to the Programme Support cost budget. It is requested that two additional professional posts (one P-5 and one P-4) with supporting general service staff (Two G-4/1) should be added to the Unit in 1974, to permit the recruitment of a social scientist to deal with the social aspects of environmental planning and of a natural scientist to review and monitor scientific developments. These officials will also be expected to maintain contacts with the appropriate scientific and academic communities. In 1975, two additional professional posts (one P-5 and one P-4) and two general service posts (two G-4/1) are requested to permit the recruitment of two additional scientists in view of the expected expansion of the activities of the Unit.

15. The nine posts in the professional category and above and the four general service posts provided from the regular budget of the United Nations and the 13 professional and 14 general service posts provided in the initial 1974 Programme Support costs budget are expected to suffice for serving the needs of the three Programme areas for 1974. In 1975, two additional professional posts (P-3) and one general service post are requested for each of the three Programme areas to meet the requirements of increased Programme activities.

16. In 1975 it is proposed that the Technical Assistance and Training Unit, which will comprise in 1974 three professional and four general service posts, should be strengthened by the addition of one P-4 officer and one G-4/1 secretary.

17. The Governing Council in its decision 1(I) has requested the Executive Director "to encourage environmental education and information at all levels in order to help increase consciousness and appreciation of environmental matters among the masses". It has further requested the Executive Director "to ensure that the activities of the Environment Programme are designed to complement and support national programmes (in the area of public awareness of environmental problems)"<sup>5/</sup>. It has been

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<sup>5/</sup> Ibid., decision 1(I), paras 12(c)(iii) and 33.

expected that the Office of Public Information of the United Nations would provide from its resources the basic staff needed to establish and operate the UNEP information services, but the Executive Director has recently been informed that this is no longer possible.

18. Consequently, in addition to the professional and two general service posts provided from the regular budget of the United Nations, five professional posts (1P-5, 2P-4, 1P-3, 1P-2) and five supporting general service posts (1G-5, 4G-4/1) are requested to establish UNEP's information services. The P-5 post would be held by the Chief of the information services, who would also be responsible for advising the Executive Director on all matters relating to public information activities. One P-4 post would permit the recruitment of an officer to establish and maintain relationships with non-governmental organizations whose activities are of substantive interest to UNEP activities. The other P-4 post would be filled by an officer who would prepare and operate a "speakers programme" for UNEP, and supervise the preparation of printed and audio-visual material for speakers and arrangements for speaking engagements and other public appearances. The P-3 post would allow for the recruitment of an officer to prepare publications describing the activities of UNEP and special literature relating to the environment. This officer would also arrange for the annual preparation of material for World Environment Day and co-ordinate the activities related thereto. The P-2 post would be filled by an officer who would prepare radio, television and film material concerning environmental matters and UNEP's activities.

19. A post at Director (D-2) level is requested in connexion with duties to be performed in Geneva. These duties include the direction of the UNEP Liaison Office which in particular maintains contact on substantive matters with Governments not having missions at UNEP headquarters, and with the specialized agencies and United Nations bodies in Europe and with the IAEA. Experience has demonstrated that liaison with the specialized agencies and IAEA, in particular, cannot in any way be equated with the routine activity which liaison work is often understood to connote. Owing to the nature of the problems to be dealt with, it is a function which can only be exercised through a direct complex substantive dialogue covering the broad field of UNEP's interests. In addition, the Director to be stationed at Geneva will also be expected to act as regional representative of UNEP in Europe, as further development of the working relationship between UNEP

and ECE has led to the conclusion that the two regional posts provided for Europe in the Programme Support budget could at this time most appropriately be placed at the disposal of ECE to reinforce the staff capacity of its environmental unit.

20. The establishment of the post requested above would enable the Executive Director to redeploy the D-1 post currently provided from the regular budget for the direction of the Liaison Office. This D-1 post would then be transferred to the office of the Executive Director to provide for the establishment and operation of a management information system within UNEP.

21. In addition to the increased costs resulting from staff requirements, increased funds are requested in respect of general operating expenses. The funds originally requested for 1974 were based on an estimate made in advance of actual operational experience in the new headquarters, and the increased request in the amount of \$54,000 reflects estimates based on experience.

22. The Governing Council is accordingly requested to authorize the allocation of funds for Programme Support costs as follows:

<u>1974</u>	<u>1975</u>
(Revised)	
1,715,000	2,091,000

Table II gives a detailed breakdown of these costs.

D. Administrative Costs of the Fund

23. The Fund administrative manning table (Table 111-A in document UNEP/GC/8) provided a total of 19 professional and 23 general service posts in 1974, of which 14 professional and 15 general service posts were in support of the Fund management (including posts located in the Division of Administration for the financial management of the Fund), two professional posts were allocated to the Office of the Executive Director, and three professional and eight general service posts were allocated to the Division of Administration.

24. In view of the increased volume of projects supported from the Environment Fund, two additional (1P-4 and 1P-3) posts are requested for the Fund Management to provide for two additional management officers in 1974. In addition, two P-3 and two P-2 posts for management officers are requested, as well as one G-5 and two G-4/1 general service posts in 1975.



25. It is proposed that in 1974 an additional P-3 post be provided in the office of the Executive Director for a special assignments officer to carry out such specific tasks as may be assigned to him by the Executive Director. One G-4/1 supporting post is also requested.
26. It is recommended that support for the Division of Administration be increased in 1974 to provide for a recruitment officer (1P-3) and supporting general service staff (1G-5 and 1G-4/1) and an additional general services officer (1P-3) with supporting general service staff (1G-4/1). No provision having been made in the UNEP section of the United Nations regular budget for a budget officer, it is recommended that one P-4 post plus one G-4/1 post be provided in 1974 for a budget officer, who would also head an administrative management and administrative policy unit in the Division. It is proposed that one P-3 and one G-5 and one G-4/1 posts be added to this unit in 1975 for an officer to assist with the drafting of administrative policy circulars, job classifications and forms control.
27. The expected volume of documentation to be prepared by UNEP, in particular in connexion with technical and intergovernmental meetings, is such that provision should be made in 1975 for the addition of five P-3 translators (one in each of the official languages) and one P-4 editor to the Conference/Language staff. These posts would only be filled in the light of the volume of translation work in 1975, but provision should be made for them at this time. Five G-4/1 posts are also requested, to be filled only in conjunction with the recruitment of the professional staff requested above.
28. An additional general service post at the principal level (G-5) is required to provide an administrative assistant for the UNEP New York Liaison Office, to assist the head of the office in administrative matters relating to programme activities which are undertaken in North America or related to programme activities at United Nations Headquarters.
29. In addition to the increased costs resulting from staff requirements, increased funds are requested in respect of general operating expenses for the reasons set out in paragraph 21 above, the amount in question being \$68,000.

30. The Governing Council is accordingly requested to authorize the allocation of funds for the Administrative costs of the Fund as follows:

<u>1974</u> (Revised)	<u>1975</u>
1,186,000	1,434,000

Table II gives a detailed breakdown of these costs.

V. ANALYTICAL PRESENTATION OF PROPOSED FUND PROGRAMME 1974-1975

31. In considering the administrative and programme support budget estimates contained in document UNEP/GC/8, the Advisory Committee on Administrative and Budgetary Questions strongly urged that, when submitting future estimates for the Fund, the Executive Director should indicate proposed expenditures not only from the Fund but also from the regular budget under each heading. The Executive Director has accordingly prepared consolidated tables which show established posts by level and source of funds (Table I) and proposed expenditures for 1974 and 1975 by object of expenditure and source of funds (Table II).

32. In addition, Table III summarizes the proposed allocations which are intended to constitute the Fund Programme for 1974 and 1975.

TABLE I ESTABLISHED POSTS, 1973 TO 1975 : SUMMARY BY LEVEL AND SOURCE OF FUNDS

	REGULAR BUDGET			ENVIRONMENT FUND								TOTAL		
	1973	1974	1975	PROGRAMME SUPPORT				FUND ADMINISTRATION				1973	1974	1975
				1973	1974 <sup>1/</sup> Appro- ved	1974 Revi- sed	1975 Pro- posed	1973	1974 <sup>1/</sup> Appro- ved	1974 Revi- sed	1975 Pro- posed			
I PROFESSIONAL AND ABOVE														
Executive Director	1	1	1	-	-	-	-	-	-	-	-	1	1	1
Assistant Secretary General	2	2	2	-	-	-	-	-	-	-	-	2	2	2
Director (D-2)	3	3	3	3	4	5	5	1	1	1	1	7	9	9
Principal Officer (D-1)	3	3	3	6	6	6	6	1	1	1	1	10	10	10
Senior Officer (P-5)	6	6	6	4	5	7	8	2	4	4	4	12	17	18
First Officer (P-4)	13	13	13	6	6	9	11	2	2	4	5	21	26	29
Second Officer (P-3)	3	3	3	3	6	7	13	5	8	12	20	11	22	36
Assoc./Assist. Off. (P-2/1)	3	3	3	-	-	1	1	3	3	3	5	6	7	9
TOTAL PROFESSIONAL AND ABOVE	34	34	34	22	27	35	44	14	19	25	36	70	94	114
II GENERAL SERVICE														
Principal level (G-5)	10	10	10	2	4	5	6	3	4	5	7	15	20	23
Other (G-4/1)	54	54	54	25	30	36	42	15	19	23	31	94	113	127
Total General Service	64	64	64	27	34	41	48	18	23	28	38	109	133	150
GRAND TOTAL	98	98	98	49	61	76	92	32	42	53	74	179	227	264

1/ Provision for these posts was made in the Programme Support and Fund Administration budgets contained in UNEP/GC/8 together with the comments of the ACABQ : UNEP/GC/L.9. The Governing Council of UNEP approved for 1973 provisionally for 1974 the Programme Support and Fund Administration budgets including the above posts: Report of the Governing Council on its first session (A/5025, para.96).

TABLE II  
PROPOSED EXPENDITURES FOR 1974 AND 1975:  
SUMMARY BY OBJECT OF EXPENDITURE AND BY SOURCE OF FUNDS  
(in thousands of US dollars)

Total all sources: \$  
1974 Initial Estimates 4,362,000  
1974 Revised " 5,048,000  
1975 Estimates 5,751,000

SOURCE OF FUNDS	OBJECT OF EXPENDITURE										
	Year	Salaries	Common staff costs	Travel	Printing	General expenses	Supplies and materials	Furniture and equipment	Improvement to premises	Career development	TOTAL
REGULAR BUDGET											
	Initial Estimates										
	1974	1285	396	41	-	144	67	8	-	-	1941
	1975	1354	415	44	-	150	71	9	-	-	2043
Revised Estimates											
	1974	1316	402	41	40	233	92	28	30	-	2147
	1975	1384	420	44	45	229	101	29	10	-	2226
- ENVIRONMENT FUND											
	Programme support										
	Initial Estimates										
	1974	801	198	120	40	123	77	5	-	-	1364
Revised Estimates											
	1974	982	302	132	40	145	90	21	-	3	1715
	1975	1213	382	155	45	152	113	25	-	6	2091
Administrative Costs											
	Initial Estimates										
	1974	595	170	110	-	142	36	4	-	-	1057
	1974	625	189	122	-	160	48	40	-	2	1186
Revised Estimates											
	1975	798	249	139	-	166	60	18	-	4	1434

TABLE III: FUND OF UNEP - PROPOSED ALLOCATION OF RESOURCES 1974-1975

	<u>1973</u> US \$	<u>1974</u> US \$	<u>1975</u> US \$
Gross resources	12,000,000	22,000,000	23,000,000
Financial reserve (at 7.5 per cent)	900,000	750,000	75,000
NET RESOURCES	11,100,000	21,250,000	22,925,000
Carry-over from previous year	-	3,202,000	1,751,000
TOTAL OF AVAILABLE RESOURCES	11,100,000	24,452,000	24,676,000
Fund Programme Activities	5,500,000	18,000,000	19,000,000
Fund Programme Reserve	825,000	1,800,000	1,900,000
Programme Support costs	931,000	1,715,000	2,091,000
Administrative Costs	642,000	1,186,000	1,434,000
TOTAL ALLOCATIONS	7,898,000	22,701,000	24,425,000
BALANCE IN 1975			251,000

- Under "gross resources" only the expected voluntary contributions have been taken into account. Although the total of pledges announced by the end of November 1973 for 1975 does not reach \$23,000,000 this figure is considered as a realistic estimate according to information available to the Executive Director.
- Under "financial reserve" the 1973 figure has been increased from the approved figure of \$825,000 to \$900,000 in view of the increase in "gross resources" from \$11,000,000 to \$12,000,000.
- "Net resources" indicates the amount available after deduction of the financial reserve.
- "Carry-over from previous year" represents the difference between available resources and total allocations.

Annex

FUND OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

Estimates of Resources (in US dollars equivalent)

as at 1 February 1974

<u>Country</u>	<u>Pledged for</u> <u>1973-1977</u>	<u>Estimated for</u> <u>1973-1977</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
Argentina	160,000	160,000	-	40,000	40,000
Australia	2,500,000	2,500,000	500,000	500,000	500,000
Austria	200,000	800,000	-	200,000	200,000
Belgium	1,250,000	1,250,000	250,000	250,000	250,000
Botswana	1,497	7,485	1,497	1,497	1,497
Brazil	20,000	80,000	-	20,000	20,000
Canada	7,400,000 (+100,000 received in 1972)	7,400,000	900,000	1,625,000	1,625,000
China	261,836	1,309,180	261,836	261,836	261,836
Cuba	24,540	122,700	24,540	24,540	24,540
Denmark	1,600,000	1,600,000	-	400,000	400,000
Finland	150,000	750,000	150,000	150,000	150,000
France	6,753,929	6,753,929	1,360,671	1,360,671	1,360,671
Germany, Fed. Rep. of	4,545,455	9,090,910	-	2,272,727	2,272,727
Hungary	20,080	80,320	-	20,080	20,080
Iceland	2,000	10,000	2,000	2,000	2,000
Indonesia	10,000	40,000	-	10,000	10,000
Iran	80,000	200,000	40,000	40,000	40,000
Italy	2,000,000	2,000,000	400,000	400,000	400,000
Jamaica	2,000	10,000	2,000	2,000	2,000
Japan	10,000,000	10,000,000	1,000,000	1,500,000	2,500,000
Jordan	1,000	5,000	1,000	1,000	1,000
Kenya	20,000	100,000	20,000	20,000	20,000
Liberia	1,500	7,500	1,500	1,500	1,500

Country	<u>Pledged for</u> <u>1973-1977</u>	<u>Estimated for</u> <u>1973-1977</u>	1973	1974	1975
Luxembourg	10,000	40,000	-	10,000	10,000
Malta	1,350	6,750	1,350	1,350	1,350
Mexico	200,000	1,000,000	200,000	200,000	200,000
Netherlands	1,500,000	1,500,000	300,000	300,000	300,000
New Zealand	397,322	397,322	79,221	79,526	79,525
Nigeria	60,000	100,000	20,000	20,000	20,000
Norway	2,112,380	2,112,380	421,277	422,776	422,776
Peru	1,000	5,000	1,000	1,000	1,000
Philippines	10,000	40,000	-	10,000	10,000
Poland	200,800	200,800	-	50,200	50,200
Saudi Arabia	15,000	75,000	15,000	15,000	15,000
Singapore	5,000	5,000	1,000	1,000	1,000
Sudan	1,000	5,000	1,000	1,000	1,000
Swaziland	2,727	13,635	2,727	2,727	2,727
Sweden	5,000,000	5,000,000	1,000,000	1,000,000	1,000,000
Switzerland	937,500	937,500	-	-	312,500
United Kingdom	4,727,799	4,727,799	354,277	1,093,380	1,093,381
U.S.A.	40,000,000	40,000,000	4,300,000	8,200,000	9,100,000
Viet Nam (Rep. of)	1,000	4,000	-	1,000	1,000
	<u>92,186,715</u>	<u>100,447,210</u>	<u>11,611,896</u>	<u>20,511,810</u>	<u>22,724,310</u>