

UNEP FUNDING IN 2010

Estimated requirements for the approved Programme of Work and budget for the biennium 2010-2011 total \$446.5 million: \$180 million from the Environment Fund, \$228.2 million in Trust and Earmarked Funds and \$38.3 million in other funds (including programme support costs and the UN regular budget). This translates into an estimated requirement of \$218.2 million for 2010.

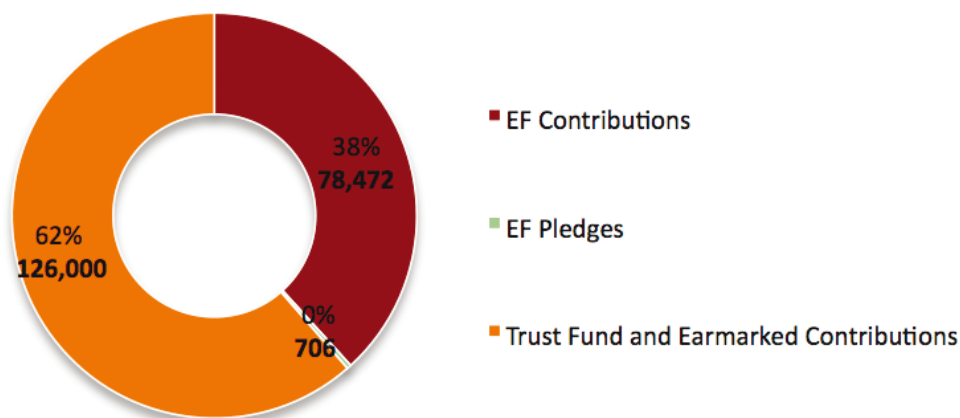
In 2010, 86 countries made their contributions to the Environment Fund; about 70 per cent of them paid close to, or above, the Voluntary indicative scale of contributions (VISC). Over 72 per cent paid during the first quarter of the biennium. Other Member States were invited to make their contributions as early as possible for timely and more efficient delivery of UNEP's Programme of Work. The highest contributors include the Netherlands (\$12.9 million), followed by Germany, UK, USA, France, Sweden and Belgium.

Austerity measures adopted by some European countries, as well as the fluctuation in the exchange rate and non-payments by two major

donors, affected the total amount of funds mobilized through the Environment Fund. As of 31 December 2010, Environment Fund income totaled \$79.2 million. If this income performance is repeated in 2011, Environment Fund income will fall short of the \$180 million required for the Programme of Work and budget for 2010-2011 by \$21.6 million (or 12 per cent).

Actual 2011 Environment Fund income performance may be more positive. A number of donors customarily pay contributions due in the first year of the biennium, early in the second year, together with that year's contribution. In this regard, UNEP will continue to work on the basis that we may experience a 10 per cent shortfall in Environment Fund income (as a contingency scenario) while actively seeking to ensure full funding of the approved budget. It must be noted that 2010 Environment Fund expenditures totaled \$77 million. This rate of expenditure was the result of two factors: the initiation and acceleration natural to the first months of the first year of a new programme (i.e. programme expenditure does not

2010 Contributions and pledges (\$ '000)



follow a straight-line trajectory) and a precautionary approach to expenditures, particularly the filling of vacant positions, until such time as more income is secured.

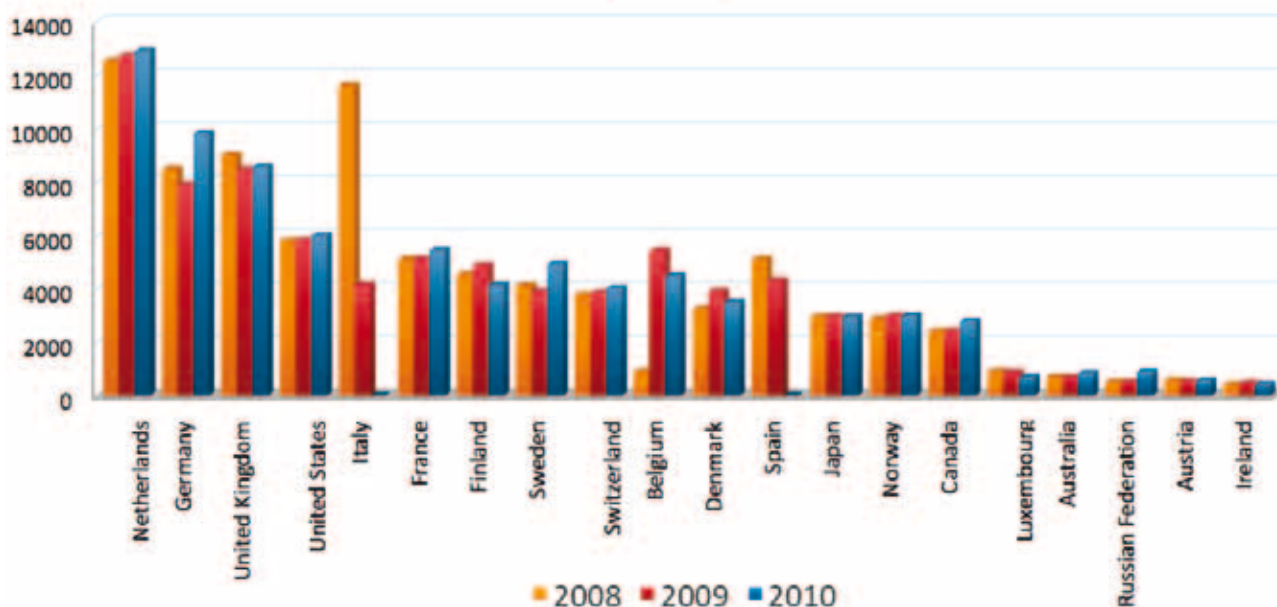
Income and expenditure performance in 2010 for Trust and Earmarked Funds exceeded the estimates reflected in the 2010-2011 budget. Income totaled \$126 million which if repeated in 2011 will exceed estimates by \$23.8 million (or approximately 10 per cent). Expenditure totaled \$117.7 million — \$3.6 million (or 3 per cent) above initial estimates. An accelerated rate of expenditure for Trust and Earmarked Funds in 2011 should go some way towards ensuring full delivery of the 2010-2011 Programme of Work.

The highest Trust and Earmarked Funds contribution was provided by the Government of

Norway. The Programme Cooperation Agreement for NOK 200 million is the second programmatic agreement between Norway and UNEP which earmarks funds at the subprogramme level. Similar arrangements have been established with the Swedish International Development Cooperation Agency (Sida), resulting in a commitment of SEK 95 million in support of four subprogrammes during the period 2010-2013. Negotiations are ongoing with other major donors for the set-up of similar partnerships.

Additional earmarked contributions were leveraged through increased collaboration with UN agencies. \$16.6 million were received through the United Nations Development Programme in the framework of joint cooperation programmes implemented by UNEP and UNDP. Additional funds were raised, for example, in collaboration with UN-HABITAT,

Environment Fund — Trend in Contributions in 2008-2010
Top 20 donors
(\$ '000)



the UN Department of Political Affairs (DPA), the UN Peacebuilding Support Office (PBSO) and the UN Department of Economic and Social Affairs (UNDESA) to support countries to improve natural resource management for conflict prevention and peacebuilding.

In addition to resources made available by donors for multilateral aid, UNEP has been exploring opportunities to access aid funds provided at the bilateral level by Member States and to further broaden its funding base by engaging with private sector and other non-State entities including foundations.

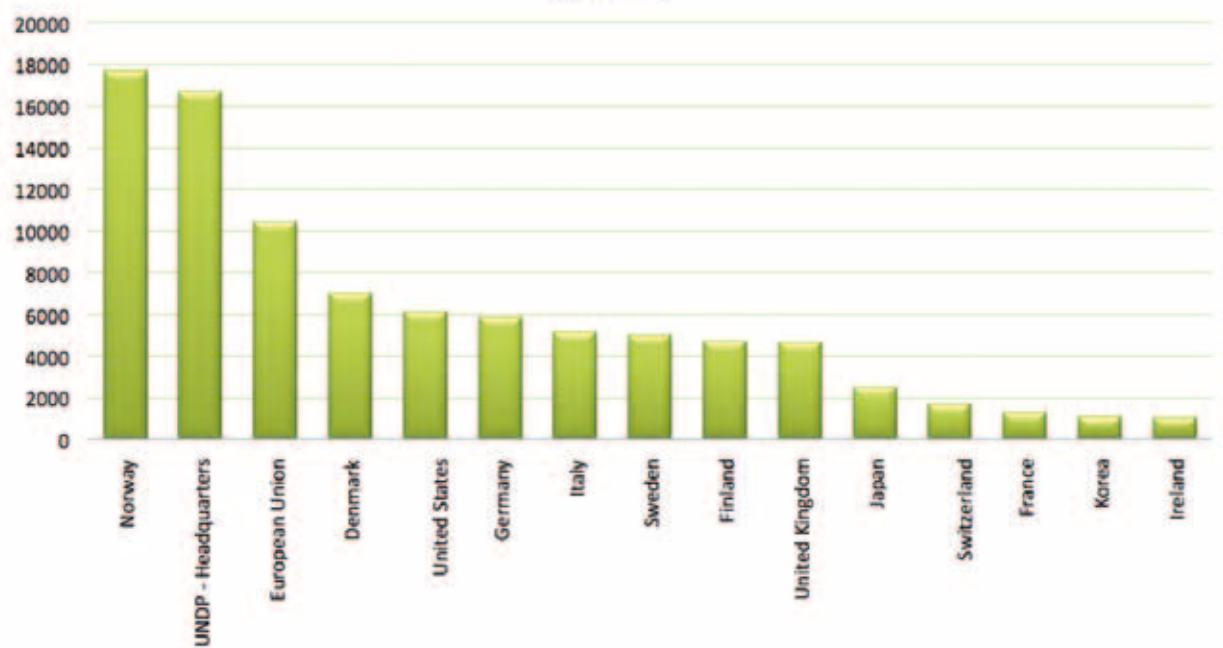
As an example, two projects that have been funded through the bilateral aid channel by the Government of Denmark are the Kenya National State of Environment Report 2009 and Kenya Renewable Energy, for \$710,000. Over 190

institutions, including banks and insurance companies, supported UNEP Finance Initiative to analyse the impacts of environmental and social considerations on financial performance. Their contributions in 2010 totaled over \$2 million.

While encouraging Member States to move towards contributions to the Environment Fund in preference to extra-budgetary funds in line with UNEP Governing Council’s Decision 25/1 (IV), UNEP is working to leverage further extra-budgetary funds through new partnerships to catalyse wider change and achieve the results targeted for 2010-2011.

Note: Figure on contributions received is indicative; 2010 accounts will be closed in March 2011.

**Earmarked Contributions and Trust Funds
Top 15 donors in 2010
(\$ '000)**



ENVIRONMENT FUND — CONTRIBUTIONS IN 2010

	COUNTRY	2010 PLEDGE/ PAYMENT
1	Albania	1,728
2	Algeria	10,000
3	Andorra	36,582
4	Argentina	54,475
5	Armenia	1,500
6	Australia	839,971
7	Austria	570,000
8	Bangladesh*	653
9	Barbados	2,500
10	Belarus	12,500
11	Belgium	4,488,538
12	Bhutan	1,450
13	Botswana	6,000
14	Brazil*	280,000
15	Bulgaria	8,712
16	Cameroon	2,257
17	Canada	2,800,000
18	Chile	20,000
19	China	500,000
20	Colombia	40,000
21	Costa Rica	10,000
22	Croatia	33,000
23	Cyprus	40,000
24	Denmark	3,508,772
25	Ecuador	3,800
26	El Salvador*	3,200
27	Eritrea*	900
28	Ethiopia	1,000
29	Fiji	4,500
30	Finland	4,161,600
31	France	5,440,000
32	Germany	9,819,747
33	Greece	250,000
34	Guyana	1,000
35	Honduras	1,000
36	Hungary	50,000
37	India*	100,000
38	Ireland	422,973
39	Israel	20,000
40	Japan	2,963,807
41	Kazakhstan	17,469
42	Kenya*	30,000
43	Korea Rep.	201,325
44	Kuwait*	200,000

	COUNTRY	2010 PLEDGE/ PAYMENT
45	Lesotho	9,975
46	Liechtenstein	9,000
47	Lithuania	23,000
48	Luxembourg	700,280
49	Malawi*	900
50	Malaysia	40,000
51	Mauritania*	7,336
52	Mauritius	5,000
53	Micronesia*	760
54	Moldova	900
55	Monaco	26,749
56	Morocco	12,079
57	Netherlands	12,901,000
58	New Zealand	230,000
59	Niger	814
60	Norway	3,000,000
61	Oman	10,000
62	Pakistan	10,968
63	Panama	10,000
64	Peru	15,000
65	Philippines*	18,000
66	Poland	150,000
67	Romania*	60,000
68	Russian Federation	900,000
69	Rwanda	1,800
70	Senegal	2,000
71	Serbia	14,000
72	Singapore	30,000
73	Slovak Republic	55,000
74	Slovenia	86,000
75	Sri Lanka	2,550
76	Suriname*	900
77	Sweden	4,928,295
78	Switzerland	4,035,719
79	Thailand	23,045
80	Trinidad & Tobago	444
81	Tunisia	17,400
82	Turkey	300,000
83	Turkmenistan*	3,300
84	Uganda	1,850
85	United Kingdom	8,572,758
86	USA	6,000,000
	TOTAL	79,177,781

* Pledge