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**OA/ID Number:** 2898  
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**Folder Title:**  
[United Nations Environment Programme] [Loose]

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# UNEP

Two Decades  
of Achievement  
and Challenge

UNITED NATIONS ENVIRONMENT PROGRAMME



UNEP

ENVIRONMENT PROGRAMME  
DRAFT POLICY PAPER

October 30, 1992

INTRODUCTION

1. From August 31 to 4 September 1992, the Executive Director of UNEP and his senior staff met to review a wide range of subjects and policy matters. The meeting clarified many issues. Following the Rio conference, UNEP has made a comprehensive review of its Programme in the light of Agenda 21 so as to ensure a more focused response to the priorities of both the Governing Council and UNCED. In this draft document, the policies of the Programme and its interrelated components are described.
2. Agenda 21 addresses all areas of UNEP's activities, but the overall impact has been to reinforce UNEP's role without changing it significantly and to point the way to changes of emphasis, rather than major changes of substance. Agenda 21 stresses that UNEP should remain the central environmental body in the UN system. UNEP deals with the environment, taking into account the development process, but UNEP is not a development agency. UNEP will not change its role to deal with issues such as poverty or population growth as such, but will ensure that the activities it supports have positive effects on development, poverty and population. UNEP's policy and activities must have a sound scientific foundation; scientific support is the backbone of UNEP's activities.
3. Implementation of Environmental management programmes is the exclusive responsibility of Governments. The role of the United Nations system is to provide support and technical assistance in the development of such programmes, as well as to ensure the availability of environmental information and assessments on which to base sound management activities. It can help to develop concepts and tools of environmental assessment and management and to stimulate awareness of the need for infusion of environmental considerations into decision making at all levels. The United Nations system can facilitate the development of international environmental treaties and the establishment of institutions to administer them.
4. This document describes the principal policies of the Environment Programme. It follows a broad structure that has been used in preparing the revised United Nations medium term plan, and which will be followed in preparing future SWMTP and UNEP Programme budget. Twelve major elements of the Programme are described. Some of these have several important components which are not dealt with in detail herein. The 12 elements are derived from a distillation of Agenda 21 and current UNEP sub-programmes. As such they reflect a mixture of sectors and functions, which may well benefit from a higher-order grouping, for example, into sectoral sub-programmes for components of the environment and cross-cutting subprogrammes for the means of implementation. Relative weightings of the elements across the Programme need to be further reviewed and refined in the light of Agenda 21.
5. For each of the 12 elements the purpose is described, the main policies are identified and the impact of Agenda 21 is indicated. All main activities of UNEP are closely interconnected, and interactions are emphasized during planning and execution. None of these activities is self sufficient on its own - all depend on others for support. Examples of interlinkages in the programmes and activities are depicted in the annexed diagrams.

## STRUCTURE OF THE PROGRAMME

1. PROTECTION OF THE ATMOSPHERE
2. ENVIRONMENTAL MANAGEMENT OF FRESHWATER RESOURCES
3. ENVIRONMENTAL MANAGEMENT OF TERRESTRIAL ECOSYSTEMS AND THEIR RESOURCES  
(includes: Biological Diversity; Desertification and Drought; Soils, Agricultural Lands and Agrochemicals; Forests and Other Ecosystems; Microbial Resources and Related Biotechnologies)
4. ENVIRONMENTAL MANAGEMENT OF OCEANS AND COASTAL AREAS MANAGEMENT
5. ENVIRONMENTAL HEALTH, HUMAN SETTLEMENTS AND WELFARE
6. ENVIRONMENTAL ECONOMICS, ACCOUNTING AND MANAGEMENT TOOLS
7. TOXIC CHEMICALS AND WASTE MANAGEMENT
8. INDUSTRY ENERGY AND THE ENVIRONMENT
9. EARTHWATCH: DATA, INFORMATION, ASSESSMENT AND EARLY WARNING  
(includes: GEMS, INFOTERRA, GRID, IRPTC, SOE, Climate, Earthwatch Secretariat)
10. CAPACITY BUILDING FOR ENVIRONMENTALLY SOUND AND SUSTAINABLE DEVELOPMENT
11. ENVIRONMENTAL LAW, INSTITUTIONS AND POLICY
12. SUPPORT TO AND COOPERATION FOR ENVIRONMENTAL ACTION  
(including Global and Regional Co-operation)

## 1. PROTECTION OF THE ATMOSPHERE

### 1. Purpose

The purpose of the Atmosphere Programme is to identify the impacts of climate variability and change on people and the environment; to estimate the social and economic implications of such impacts and to enumerate the range of response options for adapting to/or mitigating the adverse effects; to increase awareness of the implications of climate variability and change through education, training and public awareness programmes with a view to enabling the general public to deal adequately with climate-related problems; promote the protection of the stratospheric Ozone layer through assistance in the preparation of scientific impacts, economic and technological assessments of the status of Ozone depletion and its causal agents; to implement the provisions of the Vienna Convention on the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer; cooperate with GEF in appropriately assisting Parties not eligible for funding under the Financial Mechanism of the Protocol; to monitor long-term global trends in atmospheric constituents and properties, including air pollution, which may cause change in meteorological properties including climatic changes.

### 2. Policy

The policy is to integrate the scientific questions related to climate variability and change with the socio-economic issues including disasters that may arise from climate variability and change. Assisting developing countries to make inventories of their sources and sinks of greenhouse gases, assess potential climate change impacts and estimate the costs associated with reduction of greenhouse gas emissions; carry out regional assessment of atmospheric pollution using data collected during Background Air Pollution Monitoring. These will require intra-programme cooperation and coordination to reflect the cross-sectoral nature of the issues.

### 3. Impact of Agenda 21

The impact of Agenda 21 is to reinforce the activities of the World Climate Impacts Assessment and Response Strategies Programme; emphasize the intra-programme cooperation within UNEP as well as interagency coordination within the United Nations family on cross-sectoral issues that arise out of climate variability and change and atmospheric pollution; and also the periodic evaluation of the effects of enhanced UV radiation through Ozone layer depletion on humans, animals, agriculture, forestry, natural and aquatic systems, especially in tropical and sub-tropical regions.

## 2. ENVIRONMENTAL MANAGEMENT - FRESHWATER ECOSYSTEMS

### 1. Purpose

The purpose of the Freshwater Programme Activities is the Environmentally Sound Management of Inland Waters with special attention to International Water Bodies. These activities are focussing on Environmentally Sound use of water resources shared by different countries and reconciling conflicting interests.

### 2. Policy

The policy of the Freshwater Programme Activities, targeted through UNEP's EMINWA concept is:

- (i) to assist government to develop, approve and implement environmentally sound water management programmes for inland water systems, whether this is shared river basin, shared lake basin or shared groundwater resources.
- (ii) To carry out the above assistance with an integrated approach for the environmentally sound and integrated development of the basin.
- (iii) To accomplish the above at the regional level with effective involvement, co-operation and support of relevant UNEP units/PAC's, UN agencies and international organizations, bearing in mind the linkages with national priorities and the commitments of the concerned governments towards the international community, and the mutual benefits of each concerned government arising from such basin wide co-operation, especially in monitoring water quality.

### 3. Impact of Agenda 21

The recommendation of Chapter 18 of Agenda 21 reinforces the current UNEP's water programme. But to implement the above policy, the Freshwater Programme needs to strengthen:

- Its integrated approach to attain sustainable development of a given shared basin, and cooperation among concerned countries.
- Its co-operation with other UNEP units, PAC's, regional offices, as well as other UN agencies, to contribute collectively to capacity building and institutional arrangements at both national and regional level.

### 3. ENVIRONMENTAL MANAGEMENT OF TERRESTRIAL ECOSYSTEMS AND THEIR RESOURCES

#### 1. Purpose

The overall purpose of this broad programme with many components is to make the environmental management of terrestrial ecosystems and their resources an important part of, and fully integrated with, social and economic activities to ensure that these environmental activities and economic growth objectives become mutually supportive. Effective management depends heavily on effective environmental assessment; this has close linkages with Earthwatch.

#### 2. Policy

The policy is to catalyze actions, to encourage governments and regional organizations and to support actions that will lead to effective environmental management of terrestrial ecosystems and their resources, especially through the full implementation of the Biodiversity Convention, the Global Biodiversity Strategy, the Caring for the Earth, the Tropical Forests Action Plan, the Plan of Action to Combat Desertification, the World Soil Policy and all the related provisions of Agenda 21.

The main elements of policy are: (i) conservation and sustainable use of biological diversity; (ii) to maintain the productivity of terrestrial ecosystems through preventing land degradation in the drylands (desertification control) and the humid zones, to stimulate soil water and vegetation conservation and to apply integrated approaches to the planning and management of land resources; (iii) to monitor and minimize the impacts of agrochemicals on livestock and human health with emphasis on safety in agrochemicals uses and pests management; (v) to enhance the protection, sustainable management and conservation of all forests, especially tropical forest ecosystems, through assessment and systematic observations of forest programmes, including commercial trade and processes; assessment of the global dimensions of deforestation; and the promotion of forest afforestation, reforestation and other rehabilitation means; and (vi) to maximize the benefits and the safe use of biotechnologies.

#### 3. Impact of Agenda 21

Agenda 21 has brought into sharper focus the tasks involved in implementing UNEP programme on Terrestrial Ecosystems. Accordingly, UNEP will increase its efforts along the following streamlines: (i) the reinforcement of the interlinkages within the different areas of Terrestrial Ecosystems (forests, soils, land use planning, protected areas, biodiversity, desertification, biotechnologies, etc) as well as with other components of UNEP activities like freshwater resources, environmental economics, assessment and monitoring, legislation, ocean and coastal areas, etc; (ii) the application of economic and legislative tools for increasing the effectiveness of national environmental management policies, especially in key productive sectors associated with terrestrial ecosystems management; (iii) human resources development; and (iv) institutional strengthening and capacity building. An immediate task that would require UNEP's support is the preparation of the Proposed Convention on Desertification and Drought.

#### 4. ENVIRONMENTAL MANAGEMENT OF OCEANS AND COASTAL AREAS

##### 1. Purpose

The purpose of UNEP's "Oceans" Programme is the protection of the global marine environment and coastal areas and their resources through provision of assistance to Governments to achieve sustainable development of these resources on the basis of monitoring and assessment, in the framework of Earthwatch, of the state of the marine environment; in the control of marine pollution regionally and globally, and through the promotion of the regional approaches to sound management and rational use of living marine resources.

##### 2. Policy

The policy, targeted through UNEP's Regional Seas Programme, is:

- (a) To foster acceptance and application within a reasonable time-frame of the concept of **integrated Coastal Area Planning and Management** with particular emphasis on mitigation and/or elimination of environmental degradation caused by **land-based sources of pollution and human activities** as they otherwise adversely affect the coastal and marine environment, with special reference to **small islands**;
- (b) To carry out the above on the basis of sound **environmental economics** for the coastal and marine areas, and practical **natural resource accounting** related to the rich resources present in such areas, and
- (c) To accomplish the above at the regional level with effective involvement, co-operation and support of relevant **UNEP units, UN agencies and international organizations**, bearing in mind the inherent linkages with national priorities and global obligations, and the benefits arising from strong **inter-regional co-operation**.

##### 3. Impact of Agenda 21

In response to the recommendations in Agenda 21 in general and Chapter 17 specifically, and in order to implement the above policy, the suggested strategy requires some change of emphasis. The oceans and coastal areas programme will increase emphasis on integrated coastal area planning and management; and control of pollution from land-based sources and the impacts of human activities. In this context, attention will be given to protection and development of small islands and their ecosystems; and to the importance of the application of environmental economics and natural resource accounting. This will emphasize the need for enhanced co-operation with UNEP units and regional offices, UN agencies and others as well as strengthening inter- and intra- regional co-operation. The Regional Seas Programme activities need to be fully integrated with OCA/PAC's involvement in global activities.

## 5. ENVIRONMENTAL HEALTH, HUMAN SETTLEMENTS AND WELFARE

### 1. Purpose

The objectives in this area are to:

- improve health and quality of life of the people through promotion of environmental health at all levels.
- incorporate environmental considerations in the planning and management of human settlements so as to ensure sustainable development of shelter and infrastructure.

### 2. Policy

The policy in this area is:

- to reduce, and where possible, eliminate all factors in the environment that pose a risk to human health and well-being. This will require identification of environmental factors causing human diseases through epidemiological studies.
- to pay special attention to health and environmental effects of toxic chemicals
- to encourage human settlements development that is in harmony with natural systems. This will require co-operation in the areas of provision of safe water, adequate sanitation, removal and safe disposal of municipal wastes and protection of air quality and public space, particularly in reference to the low income groups and underserved sections of the population.
- to reduce the adverse health and environmental effects of energy, industry and water resource, development activities, keeping in mind the need for developing countries to increase the pace of their development and economic growth.

### 3. Impact of Agenda 21

Agenda 21 recognizes the interdependencies between health, development and the environment, and the harmony between the built environment of human settlements and the natural environment. It sets out specific strategies and action plans to protect and promote human health, and create the right harmony between the built environment and the natural environment, in a number of chapters. The first preamble in the Rio Declaration on Environment and Development focusses on the issues of human health. Agenda 21 has indicated how the objectives and policies in the areas of human health, welfare and settlements can lead to sustainable development. The existing sub-programmes, human settlements, waste management, hazards of pollution and environmental aspects of human health will be further enhanced by the actions in response to Agenda 21. UNEP will continue its strategies with other UN agencies in particular WHO, UNHCS (Habitat), ILO.

This sub-programme is closely related to Toxic chemicals and Waste Management and to IRPTC.

## 6. ENVIRONMENTAL ECONOMICS, ACCOUNTING AND MANAGEMENT TOOLS

### 1. Purpose

The purposes of this sub-programme are: (i) to integrate environmental and social dimensions in the national income accounting framework; (ii) to promote the practical application of EIA and CBA in decision-making on development; (iii) to develop and promote the methodology of economic valuation of environmental goods and services with a view to guiding economic and environmental policies; (iv) to promote the application of economic instruments for guiding sustainable development and sound environmental management; and (v) to promote consistency and mutual support and to minimize conflict between international environmental and economic cooperation agreements.

### 2. Policy

- (i) to intensify practical collaboration with the development banks and UN development agencies including the World Bank and UNDP so as to provide technical cooperation and environmentally sound advice to countries regarding national income accounting; and on the use of various economic tools; on trade implications for environmental policies etc.
- (ii) to provide methodological and procedural guidance on the use of EIA and CBA in decision-making;
- (iii) to identify gaps in existing knowledge and empirical application of valuation methodologies, focussing on major environmental challenges, including those covered by international environmental agreements;
- (iv) to analyze experience of countries which have applied economic policy instruments with a view to making this experience available to other countries;

### 3. Impact of Agenda 21

Chapter 38 of Agenda 21 includes, as priority areas on which UNEP, among others should concentrate, (i) developing and promoting the use of techniques such as natural resource accounting and environmental economics, and (ii) further development and promotion of the widest possible use of environmental impact assessments. Agenda 21 refers in many sectoral chapters to the development and use of economic policy tools for the furtherance of sustainable development. Promotion of international trade is advocated as a means for sustainable development, while the question of potential conflicts between environmental policies and trade agreements was addressed. Agenda 21 gives impetus to the development of an indepth addressing of this important issue.

## 7. TOXIC CHEMICALS AND WASTE MANAGEMENT

### 1. Purpose

The purpose of this subprogramme is to promote environmentally sound management of toxic chemicals and wastes through international cooperation with particular reference to the needs of developing countries and countries with economies in transition. UNEP's role will be to provide the necessary catalysis and to act as coordinator in the programme development and implementation in cooperation with the relevant UN agencies.

### 2. Elements of the Policy

- (i) Elaboration of internationally harmonized hazard and risk assessment of chemicals and wastes (by IRPTC and ISBC);
- (ii) Development and implementation of internationally-agreed management actions with a priority on the reduction in toxics used and on waste minimization (by IRPTC, IE/PAC and ISBC);
- (iii) Assisting in the elaboration and implementation of national management schemes and controls (by IRPTC, ISBC and ELI/PAC);
- (iv) Compilation and dissemination of relevant information on potential risks, control actions, including national and international controls (by IRPTC, IE/PAC and ISBC); and
- (v) Provision of technical, legal and institutional assistance to Governments (by IRPTC, IE/PAC, ISBC and ELI/PAC).

### 3. Impact of Agenda 21

UNEP was already involved in aspects of this topic but will respond to Agenda 21 by giving more prominence to this area. It will emphasize international co-operative activities and increase its involvement in catalyzing and coordinating international activities. It will cover such fields as information; risk assessment and management of chemicals, both national and international; risk reduction programmes; prevention, minimization and management of wastes, in particular hazardous wastes; and international controls on traffic of chemicals and hazardous wastes; as well as building of national capacities for the assessment and management of chemicals and wastes.

## S. INDUSTRY, ENERGY AND THE ENVIRONMENT

### 1. Purpose

The main purposes of the sub-programme are to integrate increasingly the management of the environmental impacts of the production and use of energy, industrial activity and transportation into policy and planning, to strengthen national policies, institutions and capabilities for environmentally sound development in the energy, industry, transportation and tourism sectors, to promote low-pollution and low-resource technologies and conversion systems, particularly in developing countries, and to enhance the working environment of employees.

### 2. Policy

- (a) To encourage the integration of environmental considerations in the planning, production and use of energy;
- (b) To strengthen the capacity of countries to design and implement policies and programmes for the improvement of the working environment;
- (c) To integrate environmental considerations into industrial development and provision of energy for sustainable development, and to strengthen national policies, institutions and capabilities for managing industrial activities in a sustainable way; and
- (d) To promote the incorporation of environmental considerations in the formulation of national and regional transportation plans, and to facilitate the reduction of negative health impacts of transportation systems, especially urban transport systems.

### 3. Impact of Agenda 21

Agenda 21 provides further confirmation of the importance of this sub-programme in relation to the achievement of sustainable development. Agenda 21 reinforces the international co-ordinating and catalyzing role of UNEP in this area, particularly the need to intensify efforts to develop the appropriate tools and policies to assess the impacts of industrial and energy development on the environment, thus fostering the contribution of various sectors, of the community towards sustainable development. Relevant UNEP programmes, particularly those of IE/PAC and TEB will require their enhancement and re-focussing in the light of Agenda 21.

## 9. EARTHWATCH: DATA, INFORMATION, ASSESSMENT AND EARLY WARNING

### 1. Purpose

Environmental monitoring and comprehensive assessments of major environmental media constitute the backbone of the UN system-wide Earthwatch process. Global overviews of status and trends provide definitive information which can be used as early warnings of major environmental problems. The use of assessment and other scientific and technical information in decision making and risk management is part of the environmental management process and both are components of the framework for ensuring human and natural well-being. Facilitation of the exchange of environmental experiences and information among nations and within a nation enable better decision-making in the environmental fields.

### 2. Policy

Earthwatch will continue to develop and strengthen global and national environmental monitoring programmes, catalyze assessments in each concentration area and with the appropriate UN agencies, and provide the necessary data and information as a support for environmental management in accordance with Agenda 21 chapter on information for decision-making. Earthwatch will help to identify emerging problems, identify risks and, in association with management, propose policies for risk reduction. Where appropriate Earthwatch will ensure that early warnings of emerging or newly recognized environmental threats are issued to Governments and the World Community. Timely and relevant scientific information will enable decision-makers to protect and enhance their environment.

### 3. Impact of Agenda 21

Overall, the activities conducted by the different components of Earthwatch (GEMS, INFOTERRA, GRID, IRPTC, SOE, Climate, Earthwatch Secretariat) are in line with the requirements of Agenda 21 and specific to the requirements stated for Earthwatch. Specific activities will need to be further developed and strengthened in light of specific requirements of Agenda 21, in particular socio-economic considerations will have to be incorporated into the Earthwatch programmes:

- A) capacity building in developing countries needs to be increased;
- B) the availability of reliable information needs to be improved;
- C) methods need to be developed for the verification of the impacts of international treaties on the environment;
- D) develop a systematic and structured approach to environmental indicators;
- E) special attention needs to be given to early warning and risk assessment within Earthwatch.

## 10. CAPACITY BUILDING FOR ENVIRONMENTALLY SOUND AND SUSTAINABLE DEVELOPMENT

### 1. Purpose

The purposes of this Subprogramme are;

- (i) to strengthen analytical, policy and institutional capacities, of countries for sustainable development, including those for decision making on environmental assessment and management,
- (ii) to advance skill formation and human resources development through collaboration between developed and developing countries and among developing countries themselves, including information networking, transfer of technologies, and relevant education and training programmes.

### 2. Policy

- (i) In cooperation with relevant UN agencies, including regional commissions, the World Bank, regional development banks and other regional organizations, to promote activities for national capacity building through the development of national monitoring and assessment capabilities and UNDP, of national environmental plans of action, strengthening of human and institutional capabilities for decision making and administration for sustainable development, for developing countries and countries with economies in transition, through providing training, technical cooperation, information and policy advice to countries,
- (ii) To promote the use of environmental impact assessment and other policy tools to ensure environmentally sound development.

### 3. Impact of Agenda 21

Most of the Agenda 21 chapters, in particular, chapters 35, 36 and 38 emphasize the importance of national capacity building for sustainable development. In chapter 36, UNDP's major role in national capacity building was identified, and UNEP's special contributory role in the field of the environment was specifically stated in this context. All subprogrammes contribute to the realization of this subprogramme. Modalities for enhanced inhouse and interagency coordination must be squarely addressed.

## II. ENVIRONMENTAL LAW, INSTITUTIONS AND POLICY

### 1. Purpose

The purpose of this sub-programme is to contribute to the formation and development of a coherent body of international law in the environmental field, to promote legislative and institutional capacity building, especially in developing countries, and in this respect enhance the exchange and dissemination of information, and further development of education and training of national cadres in the field of environmental law.

### 2. Policy

The policy is to further develop, in accordance with Montevideo II Programme for the Development and Periodic review of Environmental Law, international legal instruments, in particular conventions and guidelines; to promote their implementation; and to coordinate the function of the secretariats of environmental conventions, and at the national level to assist developing countries through the provision of technical assistance in accordance with national policies in drafting national environmental legislation and setting up appropriate machineries for the management of the environment.

### 3. Impact of Agenda 21

Agenda 21 has reiterated the major role of UNEP in further development of international environmental law, and at national level UNEP will, upon request, assist in national efforts to establish and enhance their legal and institutional frameworks. Agenda 21 has further reinforced the mandate of UNEP in the field of environmental law and identified specific areas of concern.

## 12. SUPPORT TO AND COOPERATION FOR ENVIRONMENTAL ACTION (INCLUDING GLOBAL AND REGIONAL COOPERATION)

### 1. Purpose

The purposes of this subprogramme are: (i) to create and promote the individual's awareness and actions for environmental management (ii) to promote human resources development for endogenous capacity building and to strengthen the environmental elements throughout all levels of education systems of all countries, and (iii) to promote international activities at regional and subregional levels.

### 2. Policy

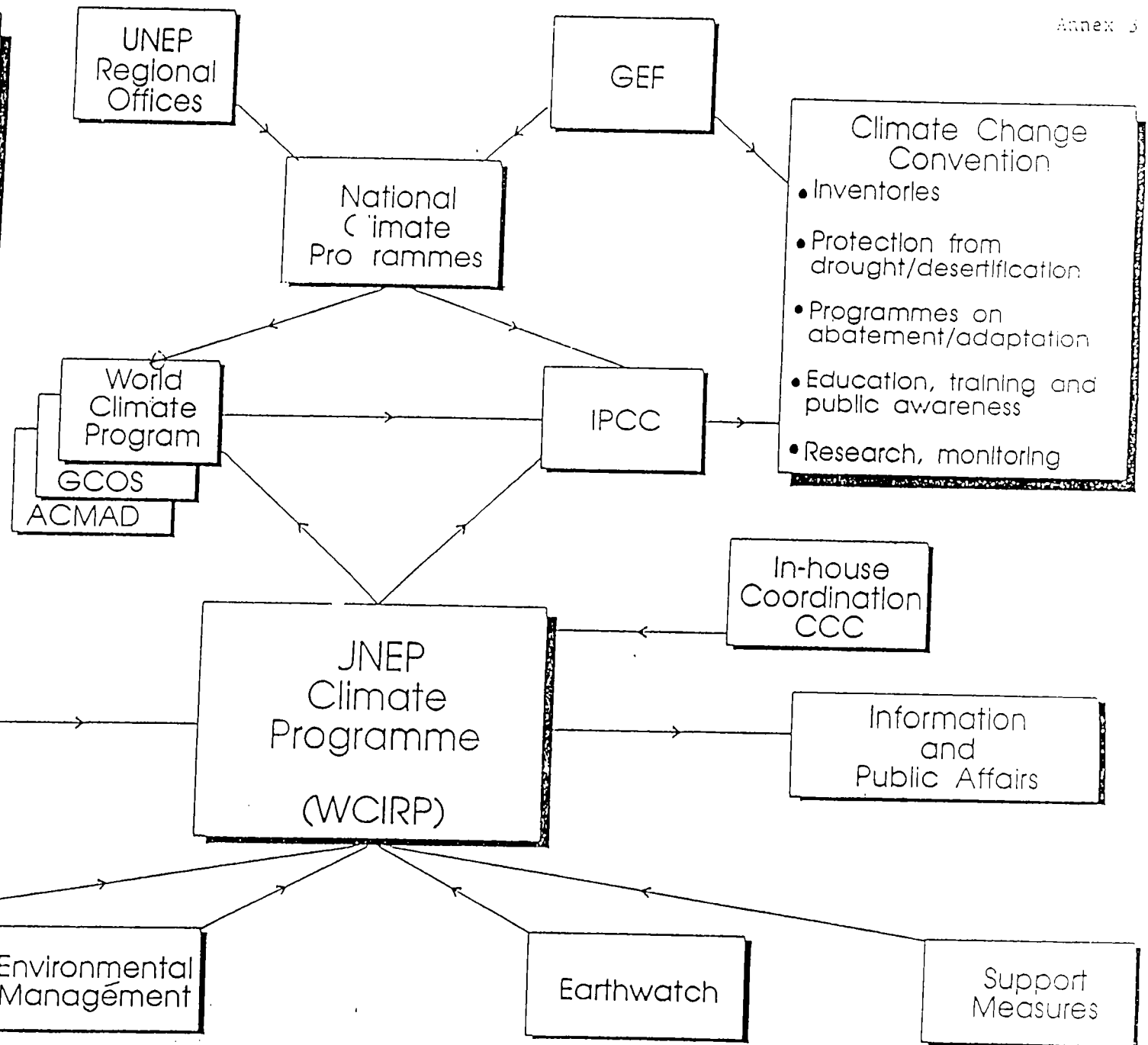
- (i) To research, plan and implement a comprehensive information, communications and public relations programme, and utilize this information as well as feedback obtained to assist in-house decision-making;
- (ii) To stimulate active participation by the citizens, and elicit interest and contribution from NGOs for environmentally sound and sustainable development;
- (iii) To vastly increase all human resources development and target it towards endogenous capacity- building of member states;
- (iv) To place all specialized environmental skills training within the context of integrated environmental management; and
- (v) To continue to develop and implement the International Environmental Education Programme (IEEP) and in doing so broaden the scope of literacy to include environmental literacy for all; remoulding of EE into Sustainable Development Education (SDE).
- (vi) to catalyze, co-ordinate and foster regional and sub-regional activities, which will contribute to global cooperation.

### 3. Impacts of Agenda 21

Agenda 21 highlighted awareness-building for all target groups, education as the basis for all future development, especially the vastly increased output of trainees within a co-ordinated strategy, emphasis on regional and sub-regional activities and strengthening of UNEP's regional offices.

## Agenda 21

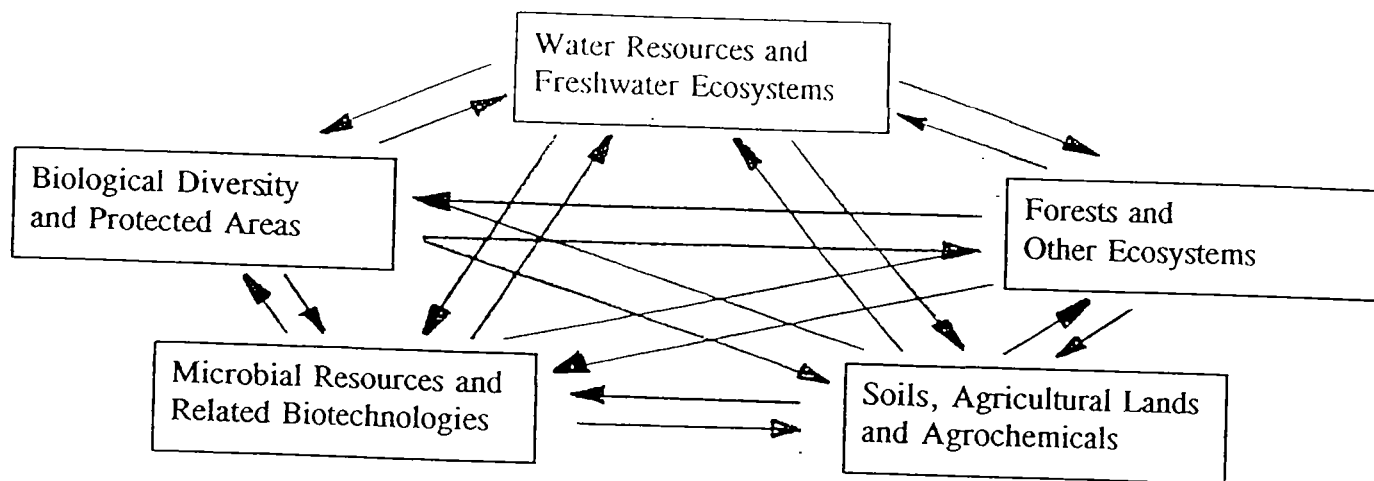
- Linkages between sustainable development and environmental change
- Support GCOS
- Education, training, P.A.
- Programmes on climate and energy
- Regional conferences on transport and environment
- Identify sound technologies for GHG limitation
- Include climate considerations in programmes on terrestrial and marine resources
- Address environment and economics



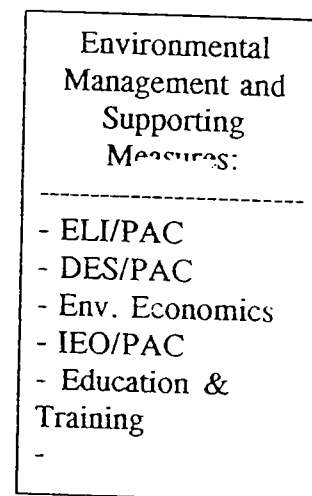
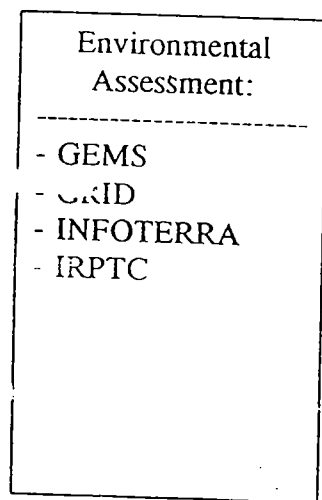
# D. DIAGRAM ON TEB PROGRAMME INTERLINKAGES

## ENVIRONMENTAL MANAGEMENT:

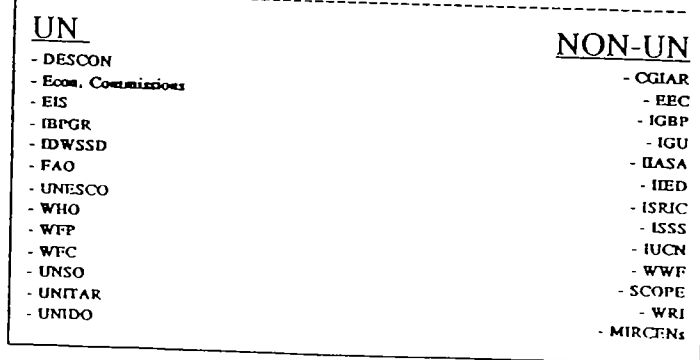
### A. Integrated TEB Programme. Area of Concentration

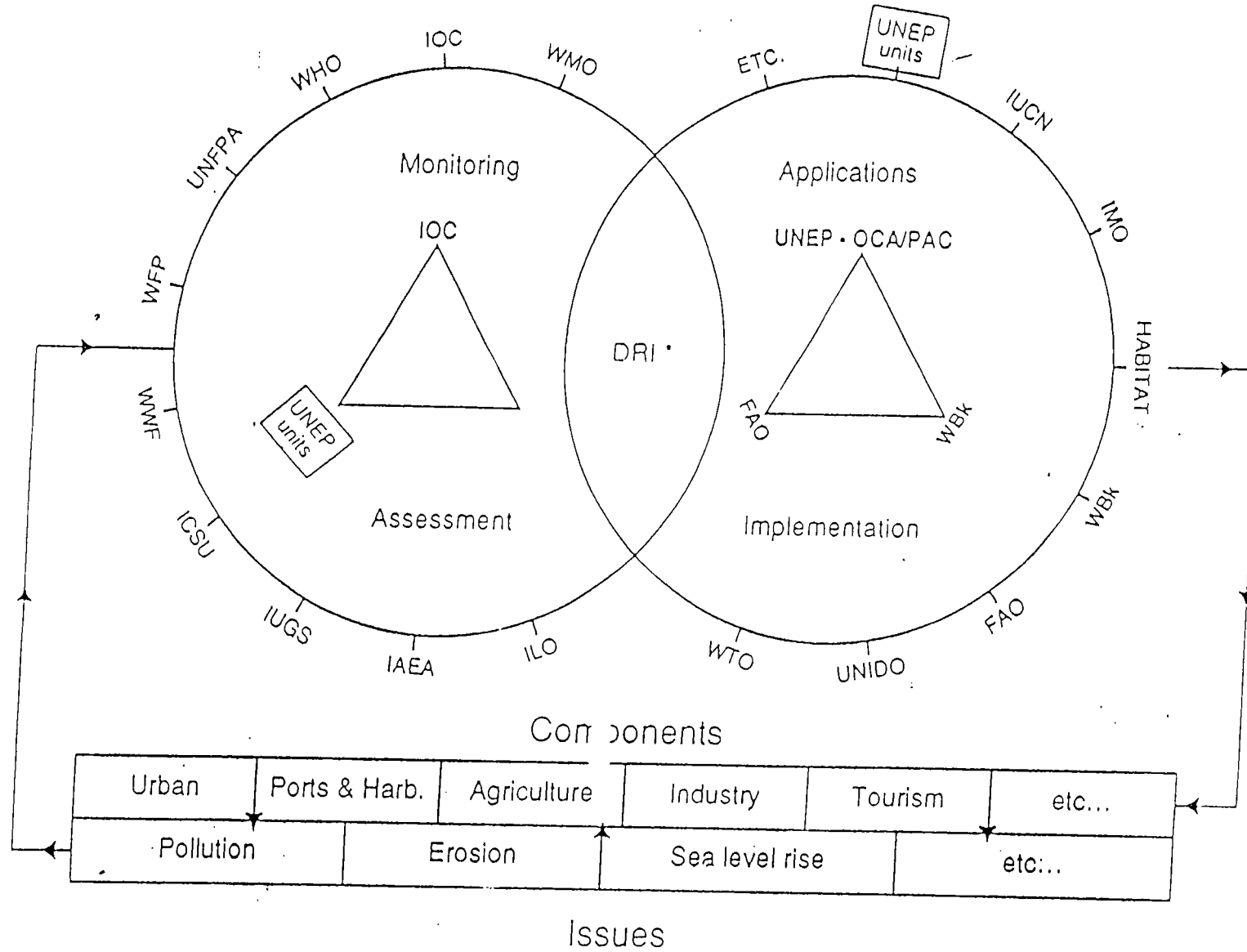


### B. Coordination and cooperation UNEP Centers and Programmes



### C. Coordination and Cooperation with Other Agencies





## PROGRAMME AREAS

## INTERLINKAGES

UNEP Internal

UN-System

Supporting  
Organizations

(A) Strengthening the knowledge base and developing information and monitoring systems for regions prone to desertification and drought, including the economic and social aspects of these ecosystems;

DC/PAC, GEMS-Earthwatch, GRID, TEB (Soils, Water, Forests) Regional Offices

FAO, UNSO, WMO, UNITAR, WB, ECA, ESCAP, ECLAC, ECA, ESCWA

CILSS, IGADD, OS, SADCC, AMU, COMIDES, AMCEN, DESCONAI Other International and Regional Organizations, Governments and National Institutions, NGO Networks

(B) Combating land degradation through, inter alia, intensified soil conservation, afforestation and reforestation activities;

DC/PAC, TEB (Soils, Water, Forests) Regional Offices

FAO, UNSO, WB, UNESCO, Economic Commissions

CGIAR Research Centre: CILSS, IGADD, SADCC, AMU, COMIDES, AMCEN Other International and Regional Organizations, Governments and National Institutions, NGO Networks

(C) Developing and strengthening integrated development programmes for the eradication of poverty and promotion of alternative livelihood systems in areas prone to desertification;

DC/PAC, TEAB, IPA Regional Offices

UNDP, DED, FAO, WB, UNESCO, Economic Commissions

CGIAR Research Centre: CILSS, IGADD, SADCC, AMU, COMIDES, AMCEN Other International and Regional Organizations, Governments and National Institutions, NGO Networks

(D) Developing comprehensive anti-desertification programmes and integrating them into national development plans and national environmental planning;

DC/PAC, ELI/PAC, Regional Offices

General Assembly, UNDP, UNSO, FAO, DED, FAO, WB, IUCN, Economic Commissions

CGIAR Research Centres: CILSS, IGADD, SADCC, AMU, COMIDES, AMCEN Other International and Regional Organizations, Governments and National Institutions, NGO Networks

(E) Developing comprehensive drought preparedness and drought-relief schemes, including self-help arrangements, for drought-prone areas and designing programmes to cope with environmental refugees;

GEMS-Atmosphere, DC/PAC, Regional Offices

WMO, FAO, WFP, UNDP, UNSO, UNDRO, DED, Economic Commissions

CILSS, IGADD, ACMAD, SADCC, AMU, Other International and Regional Organizations, Governments and National Institutions, NGO Networks

(F) Encouraging and promoting popular participation and environmental education, focusing on desertification control and management of the effects of drought.

DC/PAC, EETU, IPA, Regional Offices

UNESCO, UNITAR, WMO, FAO, UNSO, UNDRO, Economic Commissions

CILSS, IGADD, SADCC, AMU, Other International and Regional Organizations, Governments and National Institutions, NGO Networks

CONTRIBUTORS TO THE ENVIRONMENT FUND  
1992

|     | Country             | Amount     | Percent |
|-----|---------------------|------------|---------|
| 1.  | U.S.A               | 17,124,000 | 26.9    |
| 2.  | United Kingdom      | 8,253,000  | 13.0    |
| 3.  | Japan               | 8,000,000  | 12.6    |
| 4.  | Germany             | 5,774,436  | 9.1     |
| 5.  | Finland             | 3,938,648  | 6.2     |
| 6.  | Sweden              | 3,613,963  | 5.7     |
| 7.  | Norway              | 2,803,813  | 4.4     |
| 8.  | Switzerland         | 2,181,818  | 3.4     |
| 9.  | Italy               | 2,144,389  | 3.4     |
| 10. | France              | 2,004,008  | 3.1     |
| 11. | Netherlands         | 1,879,695  | 3.0     |
| 12. | Denmark             | 976,309    | 1.5     |
| 13. | Canada              | 925,147    | 1.5     |
| 14. | Spain               | 862,995    | 1.4     |
| 15. | Australia           | 829,464    | 1.3     |
|     | Sub-total           | 61,311,685 | 96.3    |
|     | Others (61)         | 2,349,238  | 3.7     |
|     | Total contributions | 63,660,923 | 100.0   |

PROGRAMME BUDGET DOCUMENT 1994-1995  
PROPOSED APPORTIONMENTS  
(Thousands US \$)

DRAFT FOR DISCUSSION  
NOT TO BE QUOTED

| SUB-PROGRAMME/Programme elements                                                             | TOTAL CORE |          | CORE 1 |          | CORE 2 |          | SUPPLEMENTARY |          | GRAND TOTAL |          |
|----------------------------------------------------------------------------------------------|------------|----------|--------|----------|--------|----------|---------------|----------|-------------|----------|
|                                                                                              | amount     | per cent | amount | per cent | amount | per cent | amount        | per cent | amount      | per cent |
| 1. PROTECTION OF THE ATMOSPHERE                                                              | 7,520      | 4.7      | 6,110  | 4.7      | 1,410  | 4.7      | 1,880         | 4.7      | 9,400       | 4.7      |
| 1.1 Protection of the atmosphere                                                             | 7,520      | 4.7      | 6,110  | 4.7      | 1,410  | 4.7      | 1,880         | 4.7      | 9,400       | 4.7      |
| 2. ENVIRONMENTAL MANAGEMENT OF FRESHWATER RESOURCES                                          | 8,800      | 5.5      | 7,150  | 5.5      | 1,650  | 5.5      | 2,200         | 5.5      | 11,000      | 5.5      |
| 2.1 Env. management of freshwater resources                                                  | 8,800      | 5.5      | 7,150  | 5.5      | 1,650  | 5.5      | 2,200         | 5.5      | 11,000      | 5.5      |
| 3. ENVIRONMENTAL MANAGEMENT OF TERRESTRIAL ECOSYSTEMS                                        | 21,600     | 13.5     | 17,550 | 13.5     | 4,050  | 13.5     | 5,400         | 13.5     | 27,000      | 13.5     |
| 3.1 Soils, agricultural lands and agrochemicals                                              | 2,720      | 1.7      | 2,210  | 1.7      | 510    | 1.7      | 680           | 1.7      | 3,400       | 1.7      |
| 3.2 Arid lands and desertification                                                           | 9,120      | 5.7      | 7,410  | 5.7      | 1,710  | 5.7      | 2,280         | 5.7      | 11,400      | 5.7      |
| 3.3 Forests and other ecosystems                                                             | 3,360      | 2.1      | 2,730  | 2.1      | 630    | 2.1      | 840           | 2.1      | 4,200       | 2.1      |
| 3.4 Biological diversity                                                                     | 4,320      | 2.7      | 3,510  | 2.7      | 810    | 2.7      | 1,080         | 2.7      | 5,400       | 2.7      |
| 3.5 Microbial resources and related biotechnologies                                          | 1,600      | 1.0      | 1,300  | 1.0      | 300    | 1.0      | 400           | 1.0      | 2,000       | 1.0      |
| 3.6 Lithosphere                                                                              | 480        | 0.3      | 390    | 0.3      | 90     | 0.3      | 120           | 0.3      | 600         | 0.3      |
| 4. ENVIRONMENTAL MANAGEMENT OF OCEANS AND COASTAL AREAS                                      | 12,800     | 8.0      | 10,400 | 8.0      | 2,400  | 8.0      | 3,200         | 8.0      | 16,000      | 8.0      |
| 4.1 Env. management of oceans and coastal areas                                              | 12,800     | 8.0      | 10,400 | 8.0      | 2,400  | 8.0      | 3,200         | 8.0      | 16,000      | 8.0      |
| 5. ENVIRONMENTAL HEALTH, HUMAN SETTLEMENTS AND WELFARE                                       | 4,000      | 2.5      | 3,250  | 2.5      | 750    | 2.5      | 1,000         | 2.5      | 5,000       | 2.5      |
| 5.1 Env. aspects of human settlements planning and management                                | 480        | 0.3      | 390    | 0.3      | 90     | 0.3      | 120           | 0.3      | 600         | 0.3      |
| 5.2 Community preparedness for natural and man-made env. disasters                           | 960        | 0.6      | 780    | 0.6      | 180    | 0.6      | 240           | 0.6      | 1,200       | 0.6      |
| 5.3 Hazards of pollution                                                                     | 1,280      | 0.8      | 1,040  | 0.8      | 240    | 0.8      | 320           | 0.8      | 1,600       | 0.8      |
| 5.4 Environmental aspects of human health                                                    | 1,280      | 0.8      | 1,040  | 0.8      | 240    | 0.8      | 320           | 0.8      | 1,600       | 0.8      |
| 6. ENVIRONMENTAL ECONOMICS, NATURAL RESOURCES ACCOUNTING AND ENVIRONMENTAL MANAGEMENT TOOLS  | 8,000      | 5.0      | 6,500  | 5.0      | 1,500  | 5.0      | 2,000         | 5.0      | 10,000      | 5.0      |
| 6.1 Environmental economics, natural resources accounting and environmental management tools | 8,000      | 5.0      | 6,500  | 5.0      | 1,500  | 5.0      | 2,000         | 5.0      | 10,000      | 5.0      |
| 7. ENVIRONMENTAL LAW, INSTITUTIONS AND POLICIES                                              | 11,200     | 7.0      | 9,100  | 7.0      | 2,100  | 7.0      | 2,800         | 7.0      | 14,000      | 7.0      |
| 7.1 Environmental law, institutions and policies                                             | 11,200     | 7.0      | 9,100  | 7.0      | 2,100  | 7.0      | 2,800         | 7.0      | 14,000      | 7.0      |
| 8. TOXIC CHEMICALS AND WASTE MANAGEMENT                                                      | 4,000      | 2.5      | 3,250  | 2.5      | 750    | 2.5      | 1,000         | 2.5      | 5,000       | 2.5      |
| 8.1 Toxic chemicals and waste management                                                     | 4,000      | 2.5      | 3,250  | 2.5      | 750    | 2.5      | 1,000         | 2.5      | 5,000       | 2.5      |
| 9. INDUSTRY, ENERGY AND THE ENVIRONMENT                                                      | 11,680     | 7.3      | 9,490  | 7.3      | 2,190  | 7.3      | 2,920         | 7.3      | 14,600      | 7.3      |
| 9.1 Energy and environment                                                                   | 1,920      | 1.2      | 1,560  | 1.2      | 360    | 1.2      | 480           | 1.2      | 2,400       | 1.2      |
| 9.2 Industry and environment                                                                 | 7,200      | 4.5      | 5,850  | 4.5      | 1,350  | 4.5      | 1,800         | 4.5      | 9,000       | 4.5      |
| 9.3 Transportation and environment                                                           | 1,280      | 0.8      | 1,040  | 0.8      | 240    | 0.8      | 320           | 0.8      | 1,600       | 0.8      |
| 9.4 Tourism and environment                                                                  | 800        | 0.5      | 650    | 0.5      | 150    | 0.5      | 200           | 0.5      | 1,000       | 0.5      |
| 9.5 Working environment                                                                      | 480        | 0.3      | 390    | 0.3      | 90     | 0.3      | 120           | 0.3      | 600         | 0.3      |

10. EARTHWATCH, DATA, INFORMATION ASSESSMENT,  
EARLY WARNING AND ENVIRONMENTAL EMERGENCY RESPONSES

- 10.1 Earthwatch co-ordination  
10.2 Global environmental monitoring system (GEMS)  
10.3 INFOTERRA  
10.4 International register of potentially toxic chemicals (IRPTC)  
10.5 Global resource information database (GRID)  
10.6 State of the environment  
11. CAPACITY BUILDING FOR ENVIRONMENTALLY SOUND  
AND SUSTAINABLE DEVELOPMENT  
11.1 Environmental education and training  
11.2 Environmental awareness: Public information  
12. SUPPORT TO AND COOPERATION FOR ENVIRONMENTAL ACTION  
12.1 Global and regional co-operation

## TOTALS

|         |      |         |      |        |      |        |      |         |      |
|---------|------|---------|------|--------|------|--------|------|---------|------|
| 32,000  | 20.0 | 26,000  | 20.0 | 6,000  | 20.0 | 8,000  | 20.0 | 40,000  | 20.0 |
| 1,280   | 0.8  | 1,040   | 0.8  | 240    | 0.8  | 320    | 0.8  | 1,600   | 0.8  |
| 8,480   | 5.3  | 6,890   | 5.3  | 1,590  | 5.3  | 2,120  | 5.3  | 10,600  | 5.3  |
| 3,520   | 2.2  | 2,860   | 2.2  | 660    | 2.2  | 880    | 2.2  | 4,400   | 2.2  |
| 8,800   | 5.5  | 7,150   | 5.5  | 1,650  | 5.5  | 2,200  | 5.5  | 11,000  | 5.5  |
| 6,240   | 3.9  | 5,070   | 3.9  | 1,170  | 3.9  | 1,560  | 3.9  | 7,800   | 3.9  |
| 3,680   | 2.3  | 2,990   | 2.3  | 690    | 2.3  | 920    | 2.3  | 4,600   | 2.3  |
| 19,200  | 12.0 | 15,600  | 12.0 | 3,600  | 12.0 | 4,800  | 12.0 | 24,000  | 12.0 |
| 9,600   | 6.0  | 7,800   | 6.0  | 1,800  | 6.0  | 2,400  | 6.0  | 12,000  | 6.0  |
| 9,600   | 6.0  | 7,800   | 6.0  | 1,800  | 6.0  | 2,400  | 6.0  | 12,000  | 6.0  |
| 19,200  | 12.0 | 15,600  | 12.0 | 3,600  | 12.0 | 4,800  | 12.0 | 24,000  | 12.0 |
| 19,200  | 12.0 | 15,600  | 12.0 | 3,600  | 12.0 | 4,800  | 12.0 | 24,000  | 12.0 |
| 160,000 | 100  | 130,000 | 100  | 30,000 | 100  | 40,000 | 100  | 200,000 | 100  |

E. Implementation of General Assembly resolution 44/172 A

The Governing Council

1. Requests the Executive Director to expedite the comprehensive implementation of General Assembly resolution 44/172 A of 19 December 1989, in which the Assembly requested the Secretary-General of the United Nations, in cooperation with the Executive Director, to prepare, inter alia, a report containing financial and technical expert studies on ways and means to combat desertification effectively, and a general evaluation of the progress achieved in implementing the Plan of Action to Combat Desertification, together with contributions from the Consultative Group for Desertification Control, for presentation to the Preparatory Committee for the United Nations Conference on Environment and Development at its fourth session, and giving a progress report to the Preparatory Committee at its third session, since the Committee has decided to have a full discussion of the issue of desertification at that time;

2. Further requests the Executive Director to undertake the appropriate measures, within available resources, to strengthen the Desertification Programme Activity Centre to enable it to discharge effectively and efficiently its responsibilities.

8th meeting

31 May 1991

16/23. Programme budget of the United Nations Environment Programme for the biennium 1992-1993 and supplementary programme for the biennium 1990-1991

*Compare with 54-95 draft*

The Governing Council

I. PROGRAMME BUDGET OF THE UNITED NATIONS ENVIRONMENT  
PROGRAMME FOR THE BIENNIUM 1992-1993

1. Commends the organizations of the United Nations system for their contributions to the preparation of the programme budget for the biennium 1992-1993 39/ and calls upon them to cooperate fully with the Executive Director in the implementation of this programme;

2. Approves the programme budget for the biennium 1992-1993, as set out in the report of the Executive Director 39/ with the following amendments, the final apportionments by subprogramme and programme element being annexed to the present decision:

(a) Subprogramme 9 (Peace, security and the environment) is deleted and activities 1 and 4 transferred to subprogramme 2 (Water). Activities 2 and 3 of subprogramme 9 should not be implemented;

39/ UNEP/GC.16/15.

(b) Under subprogramme 5 (Lithosphere), the allocation for activity 1 is reduced to 100,000 dollars (C) and 50,000 dollars (S);

(c) Under subprogramme 12 (Environmental awareness) activity 7 of programme element 12.1 (Environmental education and training) is deleted;

(d) Under subprogramme 3 (Terrestrial ecosystems) the allocation for programme element 3.2 (Arid lands and desertification) is increased by 600,000 dollars (C) and 230,000 dollars (S);

(e) Under subprogramme 4 (Oceans), the allocation for programme element 4.1 (Regional marine environments, including combating degradation of the marine environment from land-based sources) is increased by 350,000 dollars (C) and 130,000 dollars (S);

(f) Under subprogramme 11 (Environmental management measures), the allocation for programme element 11.1 (Environmental aspects of development planning and cooperation) is increased by 510,000 dollars (C) and 190,000 dollars (S);

(g) Subprogrammes 10 (Environmental assessment), 11 (Environmental management measures), 12 (Environmental awareness) and 13 (Technical and regional cooperation) become, respectively, subprogrammes 9, 10, 11 and 12;

## II. SUPPLEMENTARY PROGRAMME FOR THE BIENNIUM 1990-1991

Recalling section VI, paragraph 3, of its decision 15/1 of 25 May 1989, in which it approved an appropriation of 35 million dollars as a supplementary appropriation for Fund programme activities as presented in the annex to that decision,

1. Takes note of the report of the Executive Director 40/ on the status of implementation of the supplementary programme approved by the Council in its decision 15/1;

2. Approves the adjustments to the supplementary programme proposed by the Executive Director in his report 41/ with the following amendments:

(a) The title of activity 1 becomes "Studies on the implications of climate changes and rising sealevel in coastal areas as specified by the Intergovernmental Panel on Climate Change and the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change";

(b) Under activity 1, the phrase "including the special needs of small island countries" is added after the words "climate change" at the end of the last subparagraph;

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40/ UNEP/GC.16/15/Add.1 and Corr.1.

41/ Ibid., annex II.

3. Authorizes the Executive Director to implement the adjusted programme during the remaining part of 1991 as and when resources become available, giving priority to:

(a) Preparation of a draft convention on biological diversity;

(b) Studies on the implications of climate changes and sea-level rise in coastal areas as specified by the Intergovernmental Panel on Climate Change and the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change;

(c) Activities in preparation for the United Nations Conference on Environment and Development;

(d) Support to the participation of developing countries in technical and intergovernmental meetings convened by the United Nations Environment Programme.

8th meeting

31 May 1991

## ANNEX

Programme budget of the United Nations Environment Programme  
for the biennium 1992-1993: apportionments by subprogramme  
and programme element

| Subprogramme/programme element                                              | Programme amount | Percentage | Additional programme amount | Total amount (Thousands of United States dollars) | Percentage |
|-----------------------------------------------------------------------------|------------------|------------|-----------------------------|---------------------------------------------------|------------|
| 1. ATMOSPHERE                                                               | 7 000            | 4.7        | 2 000                       | 9 000                                             | 5.0        |
| 2. WATER                                                                    | 8 840            | 5.9        | 2 700                       | 11 540                                            | 6.4        |
| 3. TERRESTRIAL ECOSYSTEMS                                                   | 20 550           | 13.7       | 4 180                       | 24 730                                            | 13.7       |
| 3.1 Soils, agricultural lands and agrochemicals                             | 2 500            | 1.7        | 500                         | 3 000                                             | 1.7        |
| 3.2 Arid lands and desertification                                          | 8 900            | 5.9        | 1 930                       | 10 830                                            | 6.0        |
| 3.3 Forests and other ecosystems                                            | 3 150            | 2.1        | 850                         | 4 000                                             | 2.2        |
| 3.4 Biological diversity                                                    | 5 200            | 3.5        | 700                         | 5 900                                             | 3.3        |
| 3.5 Microbial resources and related biotechnologies                         | 800              | 0.5        | 200                         | 1 000                                             | 0.6        |
| 4. OCEANS                                                                   | 11 950           | 8.0        | 2 530                       | 14 480                                            | 8.0        |
| 5. LITHOSPHERE                                                              | 500              | 0.3        | 150                         | 650                                               | 0.4        |
| 6. HUMAN SETTLEMENTS AND THE ENVIRONMENT                                    | 3 350            | 2.2        | 650                         | 4 000                                             | 2.2        |
| 6.1 Environmental aspects of human settlements planning and management      | 2 100            | 1.4        | 400                         | 2 500                                             | 1.4        |
| 6.2 Community preparedness for natural and man-made environmental disasters | 1 250            | 0.8        | 250                         | 1 500                                             | 0.8        |
| 7. HUMAN HEALTH AND WELFARE                                                 | 2 500            | 1.7        | 500                         | 3 000                                             | 1.7        |
| 7.1 Hazards of pollution                                                    | 1 250            | 0.8        | 250                         | 1 500                                             | 0.8        |
| 7.2 Environmental aspects of human health                                   | 1 250            | 0.8        | 250                         | 1 500                                             | 0.8        |
| 8. ENERGY, INDUSTRY AND TRANSPORTATION                                      | 10 750           | 7.2        | 2 150                       | 12 900                                            | 7.2        |
| 8.1 Energy and environment                                                  | 1 700            | 1.1        | 300                         | 2 000                                             | 1.1        |
| 8.2 Industry and environment                                                | 6 600            | 4.4        | 1 300                       | 7 900                                             | 4.4        |
| 8.3 Transportation and environment                                          | 1 250            | 0.8        | 250                         | 1 500                                             | 0.8        |
| 8.4 Tourism and environment                                                 | 800              | 0.5        | 200                         | 1 000                                             | 0.6        |
| 8.5 Working environment                                                     | 400              | 0.3        | 100                         | 500                                               | 0.3        |
| 9. ENVIRONMENTAL ASSESSMENT                                                 | 28 050           | 18.7       | 5 500                       | 33 550                                            | 18.6       |
| 9.1 Earthwatch coordination                                                 | 750              | 0.5        | 250                         | 1 000                                             | 0.6        |
| 9.2 INFOTERRA                                                               | 3 300            | 2.2        | 700                         | 4 000                                             | 2.2        |
| 9.3 International Register of Potentially Toxic Chemicals                   | 8 300            | 5.5        | 1 700                       | 10 000                                            | 5.6        |
| 9.4 Global Resources Information Database (GRID)                            | 5 800            | 3.9        | 1 150                       | 6 950                                             | 3.9        |
| 9.5 Global Environmental Monitoring Systems (GEMS)                          | 7 900            | 5.3        | 1 700                       | 9 600                                             | 5.3        |
| 9.6 State of the environment                                                | 2 000            | 1.3        | -                           | 2 000                                             | 1.1        |
| 10. ENVIRONMENTAL MANAGEMENT MEASURES                                       | 17 460           | 11.6       | 2 940                       | 20 400                                            | 11.3       |
| 10.1 Environmental aspects of development planning and cooperation          | 4 660            | 3.1        | 1 040                       | 5 700                                             | 3.2        |
| 10.2 Environmental law and institutions                                     | 12 800           | 8.5        | 1 900                       | 14 700                                            | 8.2        |
| 11. ENVIRONMENTAL AWARENESS                                                 | 19 500           | 13.0       | 2 900                       | 22 400                                            | 12.4       |
| 11.1 Environmental education and training                                   | 7 800            | 5.2        | 1 000                       | 8 800                                             | 4.9        |
| 11.2 Public information                                                     | 11 700           | 7.8        | 1 900                       | 13 600                                            | 7.6        |
| 12. TECHNICAL AND REGIONAL COOPERATION                                      | 19 550           | 13.0       | 3 800                       | 23 350                                            | 13.0       |
| TOTAL                                                                       | 150 000          | 100.0      | 30 000                      | 180 000                                           | 100.0      |

Environment 72/ available to the Preparatory Committee for the United Nations Conference on Environment and Development at its third session;

4. Calls upon the Executive Director, in furtherance of the objectives of the Preparatory Committee for the United Nations Conference on Environment and Development, to cooperate fully in reviewing the effectiveness of existing international conventions and protocols in the field of the environment;

5. Urges those States that have not already done so to sign, ratify, accede to and implement relevant conventions in the field of the environment.

8th meeting  
31 May 1991

16/44. The Environment Fund: use of resources in 1990-1991 and proposed use of projected resources in 1992-1993 and 1994-1995

The Governing Council,

Having considered the annual reports of the Executive Director for 1989 and 1990, 73/ as well as his report on the Environment Fund covering the use of resources in 1990-1991 and the proposed use of projected resources in 1992-1993 and 1994-1995, 74/ together with his comments on the report of the Board of Auditors on the financial report and audited accounts of the Environment Fund for the biennium 1988-1989 ended 31 December 1989 and on the observations of the Advisory Committee on Administrative and Budgetary Questions thereon;

1. Takes note of the comments of the Executive Director on the report of the Board of Auditors on the financial report and audited accounts of the Environment Fund for the biennium 1988-1989 ended 31 December 1989;

2. Expresses its appreciation to those Governments that have contributed or pledged to contribute to the Fund at a higher level in 1990, 1991 and beyond;

3. Reconfirms the target of 100 million dollars for contributions to the Environment Fund by the year 1992, approved by the Council by section V, paragraph 1, of its decision 15/1 of 25 May 1989;

4. Notes the Executive Director's view that contributions of 250 million dollars will be required by 1995 to allow the United Nations Environment Programme to fulfil its tasks;

5. Affirms, in this regard, the desirability of working towards a level substantially higher than the present level of contributions to the

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72/ UNEP/GC.16/INF.4.

73/ UNEP/GC.16/2 and UNEP/GC.16/3.

74/ UNEP/GC.16/23 and Corr.1 and Add.1.

Environment Fund by 1995, fully commensurate with the demands placed upon the Programme as a result of the urgent and increasing environmental problems that the Programme must address;

6. Calls upon all Governments to contribute or to increase their contributions on a voluntary basis to the Environment Fund accordingly;

7. Notes with concern that, although the overall level of contributions to the Environment Fund has increased, the number of countries contributing to the Fund has decreased, and calls upon all Governments that are not contributing to make every effort to do so;

8. Strongly appeals again to all Governments to pay their contributions, either before the end of the year preceding that to which their contributions relate, or as near as possible to the beginning of the year to which they relate;

9. Approves an appropriation of 150 million dollars for Fund programme activities for the biennium 1992-1993;

10. Decides to apportion the appropriation for Fund programme activities in that biennium as follows, the corresponding total apportionments for 1990-1991 being indicated for comparison:

| <u>Subprogramme/budget line</u>           | <u>1992-1993</u><br>(Thousands<br>of United<br>States<br>dollars) | <u>Percentage</u> | <u>1990-1991</u><br>(Thousands<br>of United<br>States<br>dollars) | <u>Percentage</u>          |
|-------------------------------------------|-------------------------------------------------------------------|-------------------|-------------------------------------------------------------------|----------------------------|
| 1. Atmosphere                             | 7 000                                                             | 4.7               | 2 700                                                             | 4.0                        |
| 2. Water                                  | 8 840                                                             | 5.9               | 3 400                                                             | 5.0                        |
| 3. Terrestrial ecosystems                 | 20 550                                                            | 13.7              | 11 900                                                            | 17.5                       |
| 4. Oceans                                 | 11 950                                                            | 8.0               | 7 000                                                             | 10.3                       |
| 5. Lithosphere                            | 500                                                               | 0.3               | 600                                                               | 0.9                        |
| 6. Human settlements and<br>environment   | 3 350                                                             | 2.2               | 1 300                                                             | 1.9                        |
| 7. Human health and welfare               | 2 500                                                             | 1.7               | 1 500                                                             | 2.2                        |
| 8. Energy, industry and<br>transportation | 10 750                                                            | 7.2               | 4 300                                                             | 6.3                        |
| 9. Environmental assessment               | 28 050                                                            | 18.7              | 14 800                                                            | 21.8                       |
| 10. Environmental<br>management measures  | 17 460                                                            | 11.6              | 3 900                                                             | 5.7                        |
| 11. Environmental awareness               | 19 500                                                            | 13.0              | 9 000                                                             | 13.2                       |
| 12. Technical and regional<br>cooperation | <u>19 550</u>                                                     | <u>13.0</u>       | <u>7 200</u>                                                      | <u>10.6</u>                |
| Total                                     | <u>150 000</u>                                                    | <u>100.0</u>      | <u>67 600</u>                                                     | <u>99.4</u> <sup>75/</sup> |

<sup>75/</sup> The appropriation for 1990-1991 included an apportionment of \$400,000 (0.6 per cent) for the former subprogramme 9 (Peace, security and the environment), which was deleted by Council decision 16/23 of 31 May 1991.

11. Approves an additional appropriation for Fund programme activities for the biennium 1992-1993 of 30 million dollars, as set out below, on the understanding that this additional appropriation will be used only as and when additional resources become available to the Environment Fund once the programme of 150 million dollars has been initiated and after consultation with the Committee of Permanent Representatives, taking into consideration the following apportionment:

| <u>Subprogramme/budget line</u>        | <u>Amount</u>                        | <u>Percentage</u> |
|----------------------------------------|--------------------------------------|-------------------|
|                                        | (Thousands of United States dollars) |                   |
| 1. Atmosphere                          | 2 000                                | 6.6               |
| 2. Water                               | 2 700                                | 9.0               |
| 3. Terrestrial ecosystems              | 4 180                                | 13.9              |
| 4. Oceans                              | 2 530                                | 8.4               |
| 5. Lithosphere                         | 150                                  | 0.5               |
| 6. Human settlements and environment   | 650                                  | 2.2               |
| 7. Human health and welfare            | 500                                  | 1.7               |
| 8. Energy, industry and transportation | 2 150                                | 7.2               |
| 9. Environmental assessment            | 5 500                                | 18.3              |
| 10. Environmental management measures  | 2 940                                | 9.8               |
| 11. Environmental awareness            | 2 900                                | 9.7               |
| 12. Technical and regional cooperation | <u>3 800</u>                         | <u>12.7</u>       |
| Total                                  | <u>30 000</u>                        | <u>100.0</u>      |

12. Requests the Executive Director, in the event of a shortfall of the expected contributions below the level required to finance the agreed programme for 1992-1993:

(a) To take into account the following alternative courses of action in formulating his response to the shortfall:

(i) Allocation to the higher priority areas identified in table 2 of the proposed budget programme for 1992-1993 76/ of all the appropriations previously approved for them in the programme, with appropriate new allocations to other priority areas to the full extent of the remaining funds; or,

(ii) A 15 per cent cut in all programme allocations;

(b) To put his proposed response to the Committee of Permanent Representatives, so that it can consider it and make recommendations;

(c) To act in accordance with the Committee's recommendations;

76/ UNEP/GC.16/15.

13. Approves an appropriation of 5 million dollars to the Fund programme reserve for the biennium 1992-1993;

14. Reconfirms the Executive Director's authority to adjust the apportionment for each budget line by 20 per cent, within the overall appropriation for Fund programme activities in 1992-1993;

15. Stresses again the need to maintain the liquidity of the Fund at all times;

16. Authorizes the Executive Director to enter into forward commitments not exceeding 20 million dollars for Fund programme activities in 1994-1995;

17. Requests the Executive Director to draw up a programme for Fund activities in 1994-1995 with a core programme of 160 million dollars and a supplementary programme of 40 million dollars;

18. Requests the Executive Director to continue to keep the status of the Environment Fund under review and, in the event that he considers it necessary to adjust the 1994-1995 planning figures, to report thereon to the Committee of Permanent Representatives and, additionally, in the event that contributions to the Environment Fund continue to increase at a high rate, to consult with the Committee of Permanent Representatives with regard to drawing up an additional programme and, in either event, to act in accordance with the recommendations put forward by the Committee;

19. Requests the Executive Director to report to the Committee of Permanent Representatives at its regular meetings on matters relating to programme implementation and planning, including expenditure and income profiles and planning assumptions at the programme activity level;

20. Requests the Executive Director to consider ways of ensuring a more stable and wider basis for voluntary contributions to the Environment Fund, including the possible use of appropriate indicative comparisons, and to report thereon to the Governing Council at its seventeenth session.

8th meeting  
31 May 1991

16/45. Programme and programme support costs

The Governing Council,

Recalling paragraph 4 of its decision 15/45 of 18 May 1989, in which it approved an appropriation of 29,087,000 dollars for the programme and programme support costs budget for the biennium 1990-1991, as well as section VI, paragraph 6, of its decision 15/1 of 25 May 1989, in which it approved a further supplementary appropriation of 3.17 million dollars to be used by the Executive Director during the biennium 1990-1991 only as and when he was in a position to fill some or all of the posts approved by the Council within the programme and programme support costs budget,

Having considered the performance report on the programme and programme support costs budget for the biennium 1990-1991, 77/ which reviews the implementation of the budget as at 31 December 1990, as well as the proposed budget for the biennium 1992-1993, as set out in his report on programme and programme support costs, 78/ and as revised in his report on relevant recent developments, 79/ together with the related comments of the Advisory Committee on Administrative and Budgetary Questions, 80/

1. Takes note of the performance report on the programme and programme support costs budget for the biennium 1990-1991 and the related report of the Advisory Committee on Administrative and Budgetary Questions;
2. Notes that the Executive Director was able to contain the programme and programme support costs in 1990 within the yardstick established in paragraph 2 of Council decision 12/19 of 28 May 1984 of 33 per cent of estimated contributions and that he will endeavour to do so in 1991 and future years;
3. Notes with concern, however, that the programme and programme support costs in 1990 were contained within the 33 per cent of contributions yardstick on the basis of a 24 per cent vacancy rate, greatly differing from the planned estimate of 10 per cent, and requests the Executive Director to make all possible efforts to reduce the actual vacancy rate with due attention to the 33 per cent yardstick;
4. Reconfirms the total appropriation of 32,257,000 dollars, including the supplementary appropriation, previously authorized for 1990-1991 with the revised distribution by programme and object of expenditure proposed by the Executive Director;
5. Approves an initial appropriation of 37,129,000 dollars for the programme and programme support costs budget for the biennium 1992-1993 with the expenditure pattern by programme and object of expenditure proposed in those estimates, with the understanding that the re-apportionment of any savings realized in the administration of the appropriation due to a higher than expected vacancy rate will be subject to the recommendations of the Committee of Permanent Representatives;
6. Further approves a supplementary appropriation for programme and programme support costs for the biennium 1992-1993 of 3,701,600 dollars, including 1,601,100 dollars on a loan basis towards the construction of new office accommodation subject to the final approval of the Advisory Committee on Administrative and Budgetary Questions, and 2,100,500 dollars towards the creation of new posts, making a total appropriation of 40,830,600 dollars;

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77/ UNEP/GC.16/22 and Corr.1 and 2, part one.

78/ Ibid., part two.

79/ UNEP/GC.16/22/Add.1.

80/ UNEP/GC.16/L.1 and Corr.1.

7. Requests that should there be a shortfall in the expected level of contributions to the Environment Fund, the Executive Director should continue to keep programme and programme support costs expenditures within 33 per cent of contributions and at the same time approve allocations in accordance with the following order of priority:

Millions of dollars

|                                                                                                                                        |              |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Programme and programme support costs as proposed in the Executive Director's original report on the subject                           | 35.24        |
| Loan to the regular budget for the construction of new office accommodation                                                            | 3.49         |
| Supplementary appropriation for programme and programme support costs other than the costs of construction of new office accommodation | <u>2.10</u>  |
| Total                                                                                                                                  | <u>40.83</u> |

8. Further requests that the supplementary appropriation of 2.1 million dollars for programme and programme support costs, other than the costs of construction of new office accommodation, be utilized only after the following allocations for Fund programme and Fund programme reserve activities have been made:

Millions of dollars

|                                         |               |
|-----------------------------------------|---------------|
| Programme of Fund activities            | 150.00        |
| Fund programme reserve                  | 5.00          |
| Additional programme of Fund activities | <u>30.00</u>  |
| Total                                   | <u>185.00</u> |

9. Approves under the initial appropriation of 37,129,000 dollars for the biennium 1992-1993 the creation of one D-1, one P-5, two P-3 and four local-level posts in the Clearing-house Unit of the Office of the Executive Director;

10. Approves the Executive Director's proposals to transfer from the programme and programme support costs budget to the Fund programme budget one P-5, one P-4 and two local-level posts in the Environmental Law and Institutions Unit of the Office of the Environment Programme in the light of the Council's decision to reconstitute that Unit as a programme activity centre;

11. Approves, under the supplementary appropriation for the biennium 1992-1993, the creation of an additional 20 Professional and 29 local-level

posts, subject to the recommendations of the Committee of Permanent Representatives, as follows:

(a) Office of the Environment Programme: one D-1 (environmental economics), five P-5 (atmosphere, soils, human health, energy and environmental economics), three P-4 (water, biodiversity and environmental training) and 10 local-level posts;

(b) Conferences and Governing Council Service: transfer of six P-4, one P-2 and 15 local-level posts from Fund programme activities to the programme and programme support costs budget;

(c) Administrative Service: one D-1, one P-4, two P-3 and four local-level posts to strengthen the electronic data-processing and management information systems units;

12. Requests the Executive Director to administer the appropriation for the programme and programme support costs budget for the biennium 1992-1993 with the utmost economy and restraint consistent with the effective implementation of the environment programme, bearing in mind the availability of resources;

13. Further requests the Executive Director to report to the Governing Council at its seventeenth regular session on the implementation of the programme and programme support costs budget during the first year of the biennium 1992-1993.

8th meeting  
31 May 1991

#### 16/46. Trust funds

##### The Governing Council,

Having considered the report of the Executive Director on additional sources of funding and management of trust funds, 81/

1. Takes note of the report on additional sources of funding and management of trust funds and the developments relating to trust funds administered by the Executive Director, as described in his annual reports for 1989 and 1990, 82/

2. Expresses its appreciation to Governments, intergovernmental and non-governmental institutions and other organizations that have increased their support to the programme by means of contributions to trust funds, specific counterpart activities and contributions in kind;

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81/ UNEP/GC.16/24.

82/ UNEP/GC.16/2 and UNEP/GC.16/3.

*Calling attention to  
shortfall in contributions,  
requesting more realistic pro-  
jections  
for 94-95.  
Also  
issue of  
transparency  
of budget  
format.*

UNEP/CPR.36/8  
Distributed on: 9 December 1992

Committee of Permanent Representatives to UNEP  
Thirty-sixth meeting, 9 December 1992  
Item 9 of the Provisional Agenda

THIRTY-SIXTH MEETING OF THE COMMITTEE OF  
PERMANENT REPRESENTATIVES TO UNEP

Wednesday, 9 December 1992 at 3.00 p.m.  
in Conference Room 1, Gigiri

Report of the Sub-Committee on Programme and Budgetary  
Matters of the Committee of Permanent Representatives

1. The Sub-Committee has met on 14 October and on 5 November 1992. The meetings were chaired by His Excellency High Commissioner Kiran Doshi (India). In addition, the Sub-Committee met jointly with the Ad Hoc Working Group on the Management and Organization Study of UNEP on 18 November. The Ad Hoc Working Group was co-chaired by His Excellency Ambassador Nils G. Revelius (Sweden) and High Commissioner Kiran Doshi.
2. As a base for discussion, the Sub-Committee has referred to the following documents:-
  - (i) Financial Situation of the Environment Fund in 1992 (UNEP/CPR. 36/3) and UNEP/CPR.36/3 Add 1-3).
  - (ii) Staffing in UNEP (UNEP/CPR.36/4).
  - (iii) Programme and Programme Support Costs (UNEP/CPR.36/5).
  - (iv) The Budget Presentation at GC.17 (UNEP/CPR.34/4).
  - (v) Decisions Adopted by the Governing Council at its Sixteenth Session, Nairobi, 20-31 May, 1991.
3. The Sub-Committee focussed its discussions on (a) the presentation of the UNEP budget, and (b) the current status of the 1992-1993 budget, the shortfall in contributions, and the impact of that shortfall on the Fund Programme.

4. The Sub-Committee meeting on November 5 focussed particular attention on the shortfall in contributions. Specifically:
- (a) The Deputy Executive Director informed the Sub-Committee that with the pledge by the United States of \$21 million for 1993 (an increase of \$3.88 million over 1992), he felt the minimum assumption for contributions in 1993 should be considered as \$70 million. Despite indications from a number of large contributors that it was unlikely that they would be able to increase their contributions in 1993 as they had in recent years, it could be assumed that some Governments other than the United States would make increases. The \$70 million would amount to a 10% increase in contributions for 1993 over 1992, which he felt was a realistic projection.
  - (b) The Sub-Committee noted that Annex IV of CPR.36/3 calculated the flow and use of resources through 1995 based on a 10% per year increase in contributions. This annex projected total contributions of \$64.47 million in 1992 and \$70.92 in 1993. The latter figure thus corresponded closely to the projection for contributions in 1993 made by the Deputy Executive Director. It was also noted that this annex as well as all other annexes presenting scenarios for the flow and use of resources maintained Fund Programme activities at the level of \$50 million in 1992 and \$110 million in 1993. The only variable appeared to be the year end balance of the Fund on December 31. Under the scenario in Annex IV, the result was a year end balance of the Fund of only \$2.70 million. This was sharply lower than the \$36.09 million shown for year end 1992 and \$35.41 million for year end 1991, and appeared to be considerably lower than either management or the Governing Council would determine to be prudent. Therefore, it appeared clear that, with \$70-71 million in contributions for 1993, the level of Fund Programme activities would clearly have to be adjusted downward from the \$110 million figure indicated.
  - (c) The Deputy Executive Director agreed that contributions of \$70 million in 1993 would mean that the core programme of \$150 million could not be afforded if the Fund were to have an acceptable minimum cash balance to open the year 1994. When asked what that minimum opening balance would have to be, he answered \$10 - 15 million as an absolute minimum, although this was less than the Executive Director normally looked for. That figure was based on three months' cash requirements (which since the meeting has been estimated more precisely as \$20 million). Taking into account the shortfall in projected contributions for 1993 compared with what had been projected, there has to be a cut in the core programme at least \$15 million. There was no question of going ahead with the supplemental programme of \$30 million in these circumstances.

- (d) The Sub-Committee felt that in the circumstances described, the Executive Director would have to implement paragraph 12 of GC 16/44 and recommend to the Committee of Permanent Representatives how allocations would be cut in the 1992-1993 Programme. The Deputy Executive Director stated that the Executive Director would speak on this issue at the December meeting of the CPR.
5. A number of members of the Sub-Committee reiterated their concerns that, whereas a number of Governments had made efforts to meet the contribution targets set by the Governing Council, others had made no attempt to do so, and they were particularly concerned that the total number of contributors to the Fund had been falling. The Deputy Executive Director explained the actions that had been taken by the Secretariat to overcome this situation, but admitted that their success in these endeavors had been and was likely to be limited.
6. With paragraph 20 of GC 16/44 in mind, some members of the Sub-Committee asked about the possibilities of obtaining additional funding inputs from other UN agencies. The Deputy Executive Director stated that UNEP always sought the maximum contribution from partner agencies in all joint projects, but as was well known, all UN agencies were facing severe financial constraints. Other members asked about the possibility of obtaining funding from the Global Environmental Facility. The Deputy Executive Director explained that the GEF was limited to four areas: biological diversity, ozone, climate, and international waters. UNEP had obtained GEF funding to expand country studies on biodiversity, and was in the process of expanding the program on costing climate impacts. However, the bulk of GEF funds were intended to be allocated to individual countries to support their own investments in the four areas.
7. The Chairman in summing up the discussion stated that it is clear that there will be a shortfall in contributions for 1992-93. As a result, the programme will be affected, and measures will have to be taken as called for by paragraph 12 of GC 16/44. Paragraph 12 (a) requests the Executive Director, in the event of a shortfall in contributions, to take into account two alternative courses of action: (i) allocation to higher priority areas of all the appropriations approved for them with allocations to other areas to the extent of remaining funds; or (ii) a 15 percent cut in all programme allocations. If reductions in the programme are made on an across-the-board basis as in alternative (ii), the substance of all sub-programmes will be weakened, but the problem will be disguised. On the other hand, if reductions are based on prioritization, with the possible result that certain sub-programme activities will be completely eliminated, this would more clearly focus the attention of governments on the real nature of the problem and the need for additional contributions if the full programme approved by the Governing Council is to be realized. Therefore, the Sub-Committee requested the Secretariat to prepare a document giving a specific figure for the projected 1993 shortfall, and setting out specific priorities for the programme activity reductions, in order to highlight the need for additional funding. In this connection, it was also felt by the Sub-Committee that it

would be helpful if the UNEP budget could be presented in a more coherent and transparent manner.

8. The Deputy Executive Director informed the Sub-Committee that the document requested would be prepared, and agreement of the Executive Director would be sought in determining the priority areas.
9. At the October 14 meeting, a full discussion was held with the Deputy Executive Director on various aspects of UNEP's budgetary presentation.
  - (a) The general senses of the Sub-Committee was that the current budget presentation, consisting of the Programme and Programme Support Costs (PPSC) budget and the Fund Programme Activities (FPA) budget, was not easily understood, involved overlaps and lacked transparency. The trend toward establishing Programme Activity Centres (PACs), as well as the fact that UNEP receives funds from the UN Regular Budget, compound the problem. It was noted that, while the FPA budget would be described as a "project" budget, this did not automatically mean that the PPSC budget was by definition an "administrative and overhead costs" budget. As indicated in Annex II of UNEP/CPR.34/4, both the FPA and the PPSC finance what UNEP calls the "Programme of Work." There is no clear indicator available to governments as to what constitutes programme delivery versus administrative overhead.
  - (b) The Deputy Executive Director stated that he hoped to receive more feedback from governments on the Secretariat's paper on "The Budget Presentation at GC 17" (UNEP/CPR.34/4). He recalled that the Executive Director had explained at the meeting of the Committee of Permanent Representatives on September 2 that the FPA and PPSC budgets could not be merged with the UN Regular Budget as this would contravene General Assembly resolution 2997. However, he acknowledged that resolution 2997 did not pose an impediment to merging or otherwise rationalizing the FPA and PPSC budgets. Nevertheless, it was not clear to the Secretariat that the FPA and PPSC budgets should be merged. The Deputy Executive Director agreed that the Secretariat would update (UNEP/CPR.34/4, taking into account the discussion of rationalizing the FPA and PPSC budgets. He added that a Glossary of UNEP Planning and Budgeting Terms prepared by the Secretariat would be issued as a document for GC 17.
10. The October 14 Sub-Committee meeting also discussed the issue of contributions and resource projections upon which the FPA and PPSC budgets are based. The Sub-Committee felt strongly that the Secretariat should present its budget for the 1994-1995 biennium to GC 17 based on more realistic income projections. The Deputy Executive Director noted that GC decision 16/44 paragraph 17 requested the Executive Director to draw up a Programme for Fund activities in 1994-95 based on a core programme of \$160 million and a supplementary programme of \$40 million. The Sub-Committee recognized

this, but noted that it would imply projected contributions of \$200 million in 1994-95, compared with indications that total contributions in 1992-93 would not exceed \$135 million. The Sub-Committee therefore suggested that the Secretariat, in addition to preparing a budget based on the figures in decision 16/44 (17), could also prepare additional budget scenarios based on a zero, 10% and possibly 15% increases in contributions from the previous biennium. This would considerably facilitate consideration of the budget by the Governing Council.

11. The Deputy Executive Director stated that, in response to Agenda 21, UNEP has submitted a revised chapter on environment in the UN Medium Term Plan (MTP) to the Committee on Programme Coordination (CPC). Agenda 21 will require a new sub-programme structure for UNEP. The MTP is approved by the General Assembly, and will set priorities for allocation of UN Regular Budget resources within the new sub-programme structure. While the Governing Council has total discretion to decide how the Environment Fund is to be apportioned between different sub-programmes, it will be influenced in its decision by the MTP.
12. Both resource projections and budget presentation were discussed at the joint meeting of the Sub-Committee with the Ad Hoc Working Group and the Consultants undertaking the second phase of the management and organization study of UNEP.
  - (a) It was observed that over-optimistic projections of resources from contributions will inevitably require downward revisions in programme allocations. This has a negative impact from the point of view of effective management. In looking at the future impact of Agenda 21 on UNEP's programme and the resources that might be needed to finance it, it was recommended that the consultants should take resource constraints into account.
  - (b) The consultants were told that UNEP and its Governing Council also need a more effective management method for determining priorities in order to respond to resource shortfalls. The table included in the proposed budget for 1992-1993 (GC.16/15) referred to in decision 16/44 paragraph 12(a) (i) is not an effective tool for setting priorities, and it would be useful for the consultants to recommend improvements.
  - (c) It was also suggested that the consultants provide views and recommendations on what would constitute realistic year end fund balances from the perspective of effective and efficient management of the organization, taking into account recent experience with payment of contributions.
  - (d) It was suggested that as the consultants examine mandate-driven changes in the organizational structure of UNEP reflecting Agenda 21 as well as other considerations, such as whether the system of three coordinators is still valid, and whether the entire organization should be structured into PACs, their conclusions

might automatically point to a new and better budget format.

- (e) It was recommended that the consultants examine the benefits in terms of more effective management that might be realized by merging the FPA and PPSC budgets into a new single budget format. A single budget could be considered by the Governing Council in a single committee rather than the present two, enhancing the Council's efficiency and ability to set priorities.
- (f) It was noted that the PPSC budget is reviewed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) based on the fact that the ACABQ looks at administrative budgets. However, the PPSC was not defined in resolution 2997 as an administrative budget. If the FPA and PPSC budgets were to be merged, a new definition of what in fact constitutes the administrative component of the budget would be needed. It would be helpful if the management consultants could also shed light on this issue based on other budget models available to them.

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Committee of Permanent Representatives to UNEP  
Thirty-Sixth Meeting, 9 December 1992  
Item 9 of the provisional agenda

**THIRTY-SIXTH MEETING OF THE COMMITTEE OF PERMANENT  
REPRESENTATIVES TO UNEP**

**THE FINANCIAL SITUATION OF THE ENVIRONMENT FUND**

**Report of the Executive Director**

1. Following consultations with the Programme and Budget Sub-committee of the Committee of the Permanent Representatives, the Secretariat has prepared the table presented in Annex 1, based on the following assumptions:

(i) A very conservative estimate that contributions will grow at an annual rate of ten percent in 1993.

(ii) Contributions will grow at an annual rate of fifteen percent over the period 1993 to 1995.

(iii) There should be a sufficient Fund balance at the end of each year to cover expenditures during the first two months of the following year.

2. The table shows that, if the assumption for contributions in 1993 proves to be broadly correct, it still would be possible to implement in full the US dollar 150 million core programme approved by the Governing Council by decision 16/44 for 1992-1993.

3. For 1994-1995, the Executive Director is required by Governing Council decision 16/44 to prepare a core programme for presentation to the Council at GC 17 of US dollars 160 million (as well as an additional programme of US dollars 40 million). On the assumptions for contributions set out above, it would be possible to implement the core programme in full. Nevertheless, it is the intention of the Executive Director to mark activities regarded as second priority in the programme budget document for 1994-1995 to indicate how he intends to cut the programme by about \$10 million in the event of a shortfall of resources (produced by a growth rate of about 10% instead of 15%) preventing the implementation of the full core programme of US dollars 160 million.

4. This does not, however, exclude the possibility that the Executive Director may use his authority, provided by the Governing Council, to move resources between budget lines by up to 20 percent if he feels that there is a need to press ahead in particular programmes when insufficient resources are available in the relevant budget line.

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## FLOW AND USE OF RESOURCES OF THE FUND THROUGH 1995

|                                                                       | 1991<br>Actual | 1992<br>Estimate | 1993<br>Projection | 1994<br>Projection | 1995<br>Projection |
|-----------------------------------------------------------------------|----------------|------------------|--------------------|--------------------|--------------------|
| <b>RESOURCES</b>                                                      |                |                  |                    |                    |                    |
| (a) Balance of Fund on 1 January                                      | 37.10          | 35.41            | 28.09              | 7.78               | 4.29               |
| (b) Contributions paid by<br>30 September 1992                        | 58.00          | 55.99            | 0.00               | 0.00               | 0.00               |
| (c) Estimated contributions due<br>for years shown                    | 1.00           | 8.48             | 70.00              | 80.50              | 92.58              |
| (d) Miscellaneous income                                              | 2.56           | -2.00            | 1.00               | 1.00               | 1.00               |
| <b>TOTAL RESOURCES</b>                                                | <b>98.66</b>   | <b>97.88</b>     | <b>99.09</b>       | <b>89.28</b>       | <b>97.85</b>       |
| <b>CLAIMS ON RESOURCES</b>                                            |                |                  |                    |                    |                    |
| (g) Programme and programme support costs **                          | 14.86          | 16.30            | 16.91              | 19.00              | 21.00              |
| (h) Supplementary PPSC budget                                         | 0.00           | 0.00             | 0.00               | 0.00               | 0.00               |
| (i) -Fund programme activities                                        | 32.32          | 60.00            | 90.00              | 50.00              | 60.00              |
| (j) -Fund programme reserve activities                                | 1.92           | 2.50             | 3.00               | 2.50               | 3.00               |
| (k) -Additional programme                                             | 11.64          | 0.00             | 0.00               | 0.00               | 0.00               |
| <b>Full programme (i+ii+iii+iv+v+vi)</b>                              | <b>45.88</b>   | <b>62.50</b>     | <b>93.00</b>       | <b>52.50</b>       | <b>63.00</b>       |
| (i) signed commitments Fund<br>programme activities                   | 32.32          | 45.98            | 8.37               | 0.00               | 0.00               |
| (ii) rephasing of commitments from<br>previous years                  | 0.00           | 0.00             | 12.00              | 0.00               | 16.00              |
| (iii) necessary extensions and new<br>projects                        | 0.00           | 14.02            | 69.63              | 50.00              | 64.00              |
| (iv) signed commitments Fund<br>programme reserve activities          | 2.28           | 1.71             | 0.00               | 0.00               | 0.00               |
| (v) Fund programme reserve<br>required                                | -0.36          | 0.79             | 3.00               | 2.50               | 3.00               |
| (vi) signed commitments supplementary<br>programme                    | 11.64          | 0.00             | 0.00               | 0.00               | 0.00               |
| (l) Project commitments to be cancelled<br>or rephased to later years | 0.00           | -12.50           | -18.60             | -16.50             | -16.00             |
| (m) Total project expenditure (i+j+k+l)                               | 45.88          | 50.00            | 74.40              | 66.00              | 67.00              |
| (n) New premises expenditures                                         | 2.51           | 3.49             | 0.00               | 0.00               | 0.00               |
| <b>(o) TOTAL CLAIMS (g+h+m+n)</b>                                     | <b>63.25</b>   | <b>69.79</b>     | <b>91.31</b>       | <b>85.00</b>       | <b>88.00</b>       |
| <b>BALANCE OF FUND ON 31 DECEMBER</b>                                 | <b>35.41</b>   | <b>28.09</b>     | <b>7.78</b>        | <b>4.28</b>        | <b>9.85</b>        |

\*\*Excluding cost of new premises



# Governing Council of the United Nations Environment Programme



Distr.  
GENERAL

UNEP/GC.17/1  
16 November 1992

ORIGINAL: ENGLISH

Seventeenth session  
10-21 May 1993

## ITEM 2 (b): PROVISIONAL AGENDA

1. Opening of the session.
2. Organization of the session:
  - (a) Election of officers;
  - (b) Adoption of the agenda and organization of the work of the session.
3. Credentials of representatives.
4. Policy issues:
  - (a) General policy issues;
  - (b) Issues arising from the resolution of the General Assembly at its forty-seventh session on the recommendations of the United Nations Conference on Environment and Development.
5. State of the environment.
6. Coordination:
  - (a) Coordination within the United Nations system;
  - (b) Other coordination.
7. Programme matters, including the implementation of the Plan of Action to Combat Desertification.
8. The Environment Fund, other financial matters and administration.
9. Provisional agenda, date and place of the eighteenth session of the Council.
10. Other business.
11. Adoption of the report.
12. Closure of the session.



UNITED NATIONS ENVIRONMENT PROGRAMME  
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT  
PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE



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Our Reference

Nairobi, November 1992

**NOTIFICATION BY THE EXECUTIVE DIRECTOR**

***Governing Council of the United Nations Environment Programme,  
seventeenth session  
(Nairobi 10 to 21 May 1993)***

1. In accordance with rules 4 and 7 of the rules of procedure of the Governing Council of the United Nations Environment Programme (UNEP), the seventeenth session of the Council will be held in Nairobi, Kenya from 10 to 21 May 1993. The formal session will open at 10 a.m. on Monday, 10 May 1993, and will be preceded by informal consultations among heads of delegations in the afternoon of 9 May 1993 at the United Nations Office at Nairobi (see para. 5 below)
2. The annotated provisional agenda, which contains the Executive Director's suggestions concerning the organization of the work of the seventeenth session and a suggested time-table of meetings, will be circulated eight weeks before the session, together with a report on the state of preparedness of all the documents for the session at that time, as required by General Assembly resolution 33/56 of 14 December 1978, section II, paragraph 2(c). The provisional agenda (UNEP/GC.17/1) is being circulated with the present notification.
3. Governments may wish to take the Executive Director's suggestions concerning the organization of work and time-table of meetings into account in determining the size and composition of their delegations. They may also wish to bear in mind that, in accordance with decision 15/1, II, and confirmed by the Council at its sixteenth session, the first week of the session will be devoted to work in two sessional committees, namely a committee on Programme and a committee on Fund, finance and administration questions, while the second week will be devoted to discussion in plenary, at the ministerial or equivalent level, of major policy issues.
4. Bearing in mind that the Governing Council is responsible for recommending policies for international environmental cooperation and for providing general policy guidance for the direction and coordination of environmental programmes within the United Nations system, a role which will be considerably expanded following the recommendations of the United Nations Conference on Environment and Development (UNCED), it is hoped that delegations will be constituted at the Ministerial or highest

possible policy-making level, particularly during the second week of the session. At its forthcoming seventeenth session, the Governing Council will be called upon to consider and approve the programme budget of UNEP for the biennium 1994 - 1995. This programme budget will take into account and emphasize the new directions which UNEP should be taking following the recommendations of UNCED. This will provide the Council with an opportunity to review the way in which UNEP should respond to the new challenges following UNCED recommendations. Broad issues such as UNEP's role in the implementation of the Convention on the Conservation of Biological Diversity, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and the Convention on Climate Change Framework will be one of the major subjects of global concern at the Plenary. In addition, new initiatives which were taken by UNEP upon recommendation of the sixteenth session of the Governing Council will be reviewed with a view to determining their future in the overall programme. These include the UNEP Technology Centre in Japan, the Centre for Urgent Environmental Assistance, The World Environmental Academy. The Council will also be called upon to give specific directives for the Programme in areas such as the environmental law, environment and economics, natural resource accounting and environmental impact assessment. Another major issue for debate concerns the institutional arrangements of the United Nations, including UNEP in the light of Chapter 38 of Agenda 21, the Second Phase Study of the Management and Organization of UNEP and the overall restructuring of the United Nations Secretariat. This ties in with the future prospects for increasing the contributions to the Environment Fund and financial support for the implementation of conventions which constitute another major topic for discussion at the seventeenth session. It is therefore, of importance that, especially during the second week of the Council when decisions will have to be made on these questions of policy and global concern, delegations should be headed at ministerial or other high ranking level will be dealt with. It is hoped that during the first week when more technical aspects of the Programme and the Environment Fund, delegations will also comprise technical advisers with expert knowledge in environmental and financial matters in order to advise the Plenary as appropriate.

5. As previously stated, pre-sessional informal consultations will take place on Sunday, 9 May 1993 at 3.00 p.m. Notes regarding possible subjects for consideration are contained in Annex I. It is hoped that these consultations among heads of delegations will once again facilitate the task of the Governing Council in arriving at decisions on the various subjects on its agenda.

6. A list of States members of the Governing Council in 1993 is given in Annex II. Under rule 16 of the rules of procedure, each member of the Council shall be represented by an accredited representative, who may be accompanied by such alternate representative and advisers as the delegations may require.

7. States members of the Governing Council are accordingly requested to submit to the Executive Director by 1 April 1993 the credentials of their representatives, alternate representatives and advisers who will participate in the seventeenth session of the Council. It would also be appreciated if, at the same time, they could communicate to the Executive Director the names of participants in the informal consultations among heads of delegations immediately preceding the session.

8. Eligible States not members of the Governing Council wishing to participate in its work under rule 67 of the rules of procedure are requested to communicate the names of their representatives to the Executive Director, by 1 April 1993.
9. Following the practice begun at the fifth session, the Governing Council will have before it two types of documents: documents bearing the symbols UNEP/GC.17/..... which will be confined to subjects requiring substantive review and/or action by the Council; and documents bearing the symbol UNEP/GC.17/Inf..... which will provide background information not requiring substantive review or action by the Council.
10. The Executive Director wishes to inform Governments that requirements for the preparation of the following documents for the seventeenth session of the Council do not permit compliance with the six-week rule:
  - (a) UNEP/GC.17/4/Add.1 (Evaluation of activities of the United Nations Centre for Urgent Environmental Assistance);
  - (b) UNEP/GC.17/6/Add.2 (Second phase study of Management and Organization of UNEP);
  - (c) UNEP/GC.17/L.1 (Report of ACABQ on Programme and Programme Support Costs Performance Report and Proposed Programme and Programme Support Costs Budget);
  - (d) UNEP/GC.17/20/Add.1 (Management and proposed utilization of the resources of the Environment Fund, 1 January - 30 April 1993).
11. Registration of participants will take place starting at 9.00 a.m. on Thursday, 6 May 1993.
12. Information for participants regarding hotel accommodation, medical requirements, visas, etc. will be sent in due course.
13. All communication concerning the seventeenth session of the Governing Council and the pre-session informal consultations should be addressed to:
 

The Chief,  
Conferences and Governing Council Service  
United Nations Environment  
Programme  
P.O. Box 30552  
Nairobi, Kenya

Cable address: UNITERRA NAIROBI  
Telex: 22068 UNITERRA NAIROBI  
Telefax: (254 2) 226890/226886

*Annex I*

## PRE-SESSIONAL INFORMAL CONSULTATIONS

*(Nairobi 9 May 1993)*

1. In pursuance of Governing Council decision 23 (III) of 2 May 1975, and its decision of 31 May 1991 on the provisional agenda, date and place of the seventeenth regular session of the Governing Council (see document A/46/25, Annex, "other decision"), pre-sessional informal consultations among heads of delegations will take place on Sunday, 9 May 1993, beginning at 3 p.m.
2. The format of the consultations, as in the past, will not be predetermined, but will be organized according to the views expressed by delegations. It is suggested, however, that participants use these consultations to prepare for the seventeenth session of the Governing Council by discussing the manner in which substantive matters could best be dealt with, identifying the issues which require action by the Council and considering the form which its decisions on those issues might take. The consultations might also be used to help delegations to reach agreement on procedural and organizational matters, as well as to provide them with opportunities to seek factual information and explanations from the secretariat concerning the documents before the Council.
3. Representatives may feel free to suggest any other topics for consideration at the meeting. However, in order to make the best possible use of the limited time available, it is suggested that consultations be organized around the following subjects:
  - (a) Consideration of procedural and organizational matters, including the election of the Bureau;
  - (b) Discussion of matters requiring action by the Governing Council and possible format of decisions.
4. In keeping with the informal character of the consultations, no record will be kept. The Executive Director will be at the disposal of members to convey to the President of the Governing Council any conclusions which may result from the consultations.

## Annex II

MEMBER STATES OF THE GOVERNING COUNCIL OF THE UNITED  
NATIONS ENVIRONMENT PROGRAMME IN 1993*By alphabetical order (indicating terms of office)*

|                              |                           |
|------------------------------|---------------------------|
| Argentina*                   | Mauritius*                |
| Australia**                  | Mexico**                  |
| Austria*                     | Netherlands**             |
| Bangladesh**                 | New Zealand*              |
| Barbados*                    | Nigeria**                 |
| Bhutan**                     | Norway*                   |
| Botswana**                   | Pakistan**                |
| Brazil*                      | Peru*                     |
| Burundi*                     | Philippines*              |
| Cameroon**                   | Poland**                  |
| Chile**                      | Portugal**                |
| China*                       | Romania**                 |
| Colombia**                   | Russian Federation*       |
| Congo**                      | Rwanda**                  |
| Côte d'Ivoire**              | Senegal**                 |
| Czech and Slovak Republic**  | Spain*                    |
| Denmark**                    | Sri Lanka**               |
| France*                      | Thailand*                 |
| Gabon*                       | Tunisia*                  |
| Gambia*                      | Ukraine*                  |
| Germany*                     | United Kingdom of         |
| Guyana**                     | Great Britain and         |
| India**                      | Northern Ireland**        |
| Indonesia*                   | United States of America* |
| Iran (Islamic Republic of)** | Uruguay**                 |
| Italy**                      | Venezuela*                |
| Japan*                       | Yugoslavia (the Federal   |
| Kenya**                      | Republic of)*             |
| Kuwait*                      | Zaire*                    |
| Lesotho*                     | Zimbabwe*                 |
| Malaysia**                   |                           |

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\* Term expires on 31 December 1993.

\*\* Term expires on 31 December 1995.

NOTE

by Mostafa K. Tolba

Executive Director of UNEP  
on the outcome of his informal consultations  
with a group of Ministers of Environment and  
high Government Officials at  
UNEP Headquarters, Nairobi  
10-11 December 1992

## INTRODUCTION

The Executive Director of UNEP was privileged to benefit from the views, expressed in their personal capacities, of a number of Secretaries of State, Ministers and high-level governmental officials, whom he had invited to Nairobi on 10-11 December 1992 to discuss UNEP's future programme, policy issues and direction after the Rio Conference on Environment and Development and before the 17th Session of UNEP's Governing Council in May 1993. A list of participants is attached.

This Note summarizes those discussions as seen by the Executive Director and will assist, as they did in 1989, 1990, 1991 and in January 1992 in making specific suggestions to the Governing Council on the future policies and activities of UNEP. He will give the summary of the discussions to the new Executive Director for her use in preparing for the Governing Council 17 and other future work of the organization.

The main points for discussion were; (1) the progress and future directions of the Biological Diversity, Basel Convention and Montreal Protocol; (2) major policy issues emerging from the Rio Conference, including implications of an expanded role for UNEP and new priorities of UNEP; and (3) the status and future of UNEP's early warning monitoring programme, the environmental emergency centre, the global environmental academy and the technology centre in Japan.

### 1. The Current Status of Implementation of Conventions

#### Montreal Protocol for the Protection of the Ozone Layer:

During the Copenhagen meeting on the Montreal Protocol the Contracting Parties made substantial progress and set out a clear signal to industry on the need to phase out the current substitutes to the ozone depleting substances as they still have ozone depleting potential. They reached a comprehensive agreement on a number of issues, including the establishment of a permanent fund and tightened control measures, including the listing of a new ozone depleting chemicals. The need to tighten more controls on depleting substances, the status of the fund and the transfer of technology issues will remain on the agenda of the Contracting Parties.

The Basel Convention on Hazardous Wastes: During the recent Uruguay meeting of the Basel Convention's Contracting Parties tension between the North and the South was more evident than for some time, and this clash could become a concern that the new Executive Director should address fairly early. Environment has been a unifying factor over the years. But lately serious differences between developed and developing countries seem to have emerged. Some participants thought this situation was worsening; others felt it was merely the consequence of moving from negotiation to implementation. But all felt it should be watched closely.

Also on substantive matters UNEP and the Basel secretariat should address the desire of developing countries for a total ban on export to them of hazardous wastes as well as the question of liability and compensation for damages caused by hazardous waste exports. EC countries outlined the problems and delays they are encountering in ratification, expressing the expectation they will ratify the Convention before the 1994 meeting of the Parties.

Bio-Diversity: Signed by a large number of countries in Rio, and is now being ratified. This Convention is UNEP's responsibility and we have a number of activities underway to facilitate implementation. Four panels have been established to begin discussions on a number of issues and to prepare them for the Inter-Governmental Committee to consider as soon as the Governing Council authorizes the Committee. The relationship between the Convention and the GEF must be addressed early. The Bio-diversity Convention could enter into force by the end of 1993 and the meeting of contracting parties should then be held in 1994. The Inter-governmental Committee would need to advise the contracting parties on its understanding of the financial articles in the Treaty, and there would be a need to reassure the developing countries that financing will be available. A decision is expected soon on the offers by Switzerland and Spain for the location of the Secretariat and designating the staff should be accomplished in early 1993. These matters will be important issues for UNEP's new Executive Director.

Global Environmental Facility: UNEP has an important role to play in ensuring the GEF financed projects are in line with the environmental agreements and accords. It established STAP and is responsible for its work. Participants acknowledged the GEF still was not satisfying the desires of developing countries. Consideration of its legal basis and restructuring are well underway, however, and will be decided at its May 1993 meeting.

## II. Implementation of UNCED Agenda 21

The relationship between UNEP and the new Sustainable Development Commission was identified as vitally important for the success of Agenda 21. Clear definition of the roles of the two secretariats was considered essential. There should be no overlap or conflict between the two organizations. The Commission should be seen as a political body having responsibility for guiding and monitoring Agenda 21's implementation. UNEP's role, which is defined in Agenda 21, Chapter 38, paras. 21 and 22, especially, is to play a fundamental part in the Agenda's implementation. It was felt there was a need to clarify the nature of reporting on UNCED by the Governing Council to the UN General Assembly. It was observed that the Governing Council is a subsidiary body of the UN General Assembly. Participants supported the idea of harmonizing the reports of UN organizations rather than providing many individual reports. In this respect UNEP and UNDP especially should cooperate. It was observed that the UN specialized agencies were not bound by decisions of the

General Assembly but by those of their own ruling bodies. Thus close cooperation with the agencies and the regional development banks would be needed.

Concern was expressed that a genuine strategy for implementation of Agenda 21 has not been formulated, and that this was a major need for proceeding on and succeeding in the initiative. Governments were largely responsible for carrying out the implementation of Agenda 21. UN organizations work would be coordinated within the Administrative Committee on Coordination under the Secretary General. It was observed that Country plans would be needed, and UNEP must find a way to participate in their formulation. Secretariats of the various organizations should work out the modalities, perhaps through agency focal point collaboration, including environmental focal points in the DOEM and CIDIE.

### III. Priority Issues for UNEP

Environment and Economics: There was a strong sentiment that environment must be linked and related increasingly with major political, economic and social issues. One of the most critical of these issues is environment and economics. It should have a very high priority in UNEP's future work, intensifying the programme already approved by the Governing Council. Environment and trade would loom very significant in the future and UNEP should be deeply involved with GATT discussions, with UNCTAD and OECD. Issues that must be examined are the effect of free trade on the environment, the impact of the next GATT round of negotiations, potential trade-environment conflicts, among others.

Other issue areas include the whole field of environmental costing and accounting, which UNEP is already pursuing, defining of the prices of environmental goods and services and the development of economic tools and incentives-taxes, users fees, subsidies, etc. There is also a need to help countries in economic transition to facilitate the change without damaging the environment and perhaps UNEP might assist the exchange of information on successful efforts by other countries in this respect. Another issue in this area is the impact of free trade zones/agreements involving developing and developed countries on the environment.

UNEP, participants felt, must be involved in catalyzing work in these fields. It was suggested that UNEP could gather all valuable information at country level and in regional bodies, such as the OECD among others, on these issues and have an expert group, which would include economists and ecologists, to prepare a report with recommendations to the Governing Council on steps that might be taken to facilitate this work. The Council might then make recommendations on the same to the Commission on Sustainable Development. The major recommendations on the subject might then be considered by the General Assembly during the review of Agenda 21 in 1997.

Environmental Impact Assessment: EIA promotion is another priority activity on UNEP's agenda. This is now mandated in Agenda 21. UNEP's role is to promote the use of EIA in the UN system and to assist governments to employ the tool in their environmental management as well. Because it affects decision making EIA must be approached with sensitivity. Thus UNEP must cooperate with others in EIA development. UNEP could help develop model procedures and lead the way in ensuring their adoption and use; it could, if necessary, monitor the use and effectiveness of these procedures. Because of the enormous number of projects to be reviewed and the need to ensure agencies integrate environment into their own activities it is not likely UNEP could actively participate in individual project assessments.

Capacity Building: Capacity building for sustainable development, and especially in the environmental component of sustainable development, is seen as a very high UNEP priority. Although capacity building is not strictly defined, it includes environmental education, training professionals, institution building, developing legislation, and assisting environmental management and promoting the use of the tools of such management. It is recognized UNEP already has considerable experience which must be built upon. The new Agenda 21 mandates make it essential UNEP and UNDP define clearly their roles and cooperate closely in this field. They must be mutually supportive.

Governments must define and be helped to define their human resource needs, possibly within National Sustainable Development Plans, so that UN organizations may assist them in a systematic way. Countries could define the critical mass of their requirements and ascertain anticipated costs. Regional centres of excellence and regional training centres must be strengthened as many are underutilized. The private sector must be incorporated in this effort for it holds much of the training capacity and offers most of the uses for which the capacity would be provided. Several participants said they are actively involved in national "green planning" programmes which they believed will be useful to other countries and ways are now being considered to make their experience available to others; UNEP may wish to assist in this.

Financing Sustainable Development: All participants agreed that new and additional financing is essential to succeeding in sustainable development and carrying out Agenda 21. The financing mechanisms in the Montreal Protocol and the Bio-Diversity and Climate Conventions are vital means of financing. A suggestion that a single financing mechanism for all conventions, possibly using the re-structured GEF, was advanced. The proposal for striving toward the target of 0.7 percent of GNP was mentioned and most participants urged that donor governments should strive to achieve this. Consideration was given to shifting existing development assistance to sustainable activities. Further suggestions

were; the establishment of national sustainable development funds linked to international funds; in-kind contributions; and elaboration of new funding sources.

The Executive Director reiterated his earlier suggestion that a regionally-balanced group of finance experts be assembled to examine and recommend new means of raising additional funds. It would look into the variety of funding sources, especially the innovative ones, determine how much might be obtained from them, what effect they would have on the economies of contributors and recipients and advance ideas on how such additional funding might be used.

Turning to UNEP's own funding several participants raised again the question of UNEP seeking to move increasingly to assessed contributions rather than to rely on voluntary funding for its own programme. Still others referred to what they see as a growing problem arising because countries in economic transition are not contributing adequately to the Environment Fund while still others who are contributing are not providing a fair share in respect to others. While no overall agreement was reached on any single approach or issue, there was a general sense that UNEP must continue to press ahead in generating ideas and considering various alternatives in this critical field.

**Transfer of Technology:** There was broad agreement that technology transfer is linked to funding in achieving sustainable development and that special funding is needed for it. Participants from industrialized countries re-emphasized that by and large they did not possess technology and that it was essential to involve business and industry in technology transfer. They reiterated that much of the needed technology was available; the need was either to find a joint venture or a means to purchase it for transfer. Several suggestions were made about ways governments might foster bilateral governmental agreements to facilitate cooperation among industries in their countries. Several developing countries participants said it should be cost effective to build on UNEP's environmental technology centre, centres of excellence and the Industry and Environment Programme Activity Centre. Other regional centres were underutilized they felt, and might be reinvigorated.

**UNEP's Early Warning in Earthwatch:** There was general agreement that this was a very important aspect of UNEP's work and that there is interest in the Executive Director's report to the upcoming Governing Council meeting on the next steps to be taken in this field.

**Governing Council Organizational Questions:** The question of the Governing Council's responsibility to provide policy guidance to other UN system governing bodies was raised, but the issue of how this could be accomplished was not resolved. Another matter before the Council would be consideration on whether Council membership should be expanded. It was agreed that this matter should be viewed along with a decision to

return to annual versus biennial sessions. Linked to this would be consideration of the need to have an Executive Committee carry on the work of the Council between sessions. It was noted that the current management study of UNEP which will be ready in February may well provide some insights into these organizational matters. The Executive Director would be reviewing these issues and informing the Council.

**The Global Environmental Academy:** This is an issue which has been before the Governing Council since 1991 and is expected to be addressed by it at the next session in 1993.

**Concluding Observations:** At the conclusion of the session a number of participants expressed satisfaction with the round of talks and expressed the view that the annual high level informal ministerial consultations were very valuable and should be continued. Mention was made of possibly holding them on a regional basis, but it was thought the multi-regional approach was essential. They expressed their gratitude to Dr. Tolba for holding this round of discussions. They stated their profound gratitude to him for the outstanding work he has done in the field of the environment and voiced the wish that he would continue to provide his wealth of knowledge to UNEP and the international community. In reply, Dr. Tolba thanked all for their participation and contribution and his pleasure of working with them over the years in protecting the world's environment, and he assured them he would be at their and the new Executive Director's disposal for advice and assistance in the years ahead.

INFORMAL MINISTERIAL CONSULTATIONS  
Nairobi, 10 - 11 December 1992

PARTICIPANTS

1. The Rt. Hon. M. Howard  
Secretary of State  
United Kingdom
2. H.E. Mr. H.G.M. Alders  
Minister for Environment  
Netherlands
3. H.E. Ms. S. Pietikainen  
Minister of Environment  
Finland
4. Ms. M.J. Alsogaray  
Secretary of State  
Argentina
5. Hon. Dr. H.M. Murerwa  
Minister of Natural Resources  
Zimbabwe.
6. Mr. Salah M. Hafez  
Chairman in Charge of Egyptian  
Environmental Affairs Agency  
Egypt.
7. Dr. E.O. Aina  
Director/Chief Executive  
Environmental Protection Agency  
Nigeria.
8. Prof. Qu Geping  
Administrator, National Environmental  
Protection Agency  
China
9. H.E. Mr. J.F. Borrell  
Minister of Public Works &  
Transport  
Spain
10. Mr. P. Roch  
Director of Environment Protection, Forests  
and Landscapes  
Switzerland
11. Mr. J. Leutert  
Vice Director, Division of Multilateral Affairs (MEA)  
Switzerland.
12. H.E. Mr. Luis Alvarado  
Ministerio de Bienes Nacionales  
Chile

13. Mr. Lee Clark, M.P.  
Parliamentary Secretary to the Environment  
Canada.
14. Mr. P. Laufs  
Parliamentary State Secretary  
Germany
15. H.R.H. Prince Fahd Bin Abdullah Al Saud  
Minister of Defence & Aviation  
Kingdom of Saudi Arabia
16. Mr. Ioan Jelev  
Assistant Minister & Director General  
of the Environment  
Romania

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UNEP 01/20/93  
UNEP:JKATCHLEY  
UNEP:JKATCHLEY  
NONE  
UNEP 2 AMB DQM, POL ECON AID, REDSO USIS RA, ADMIN

AMEMBASSY NAIROBI  
SECSTATE WASHDC, PRIORITY  
INFO IO COLLECTIVE  
WHITEHOUSE WASHDC  
USDOC WASHDC  
USDOE EOC WASHDC  
TREASURY DEPT WASHDC  
NASA WASHDC  
SECDEF WASHDC

DEPARTMENT FOR IO/T/SCT, IO/D/ECH, IO/EA, IO/SB,  
OES/ENV(KINNEY), OES/EHC, OES/EGC, OES/OA, E(DAWSON),  
L/OES, EB/ERF/OGC, EB/IFD/ODF, AID/POL/SP, AID/R&D/ENR,  
AID/R&D/AGR, AID/LAC/DR/ENV, AID/AFR/ARTS/ENV,  
AID/ASIA/ENV, AID/NE/ENV, AID/EUR/ENV

ROME FOR FODAG; PARIS FOR UNESCO OBSERVER, SCICOUNS,  
USOECD; MONTREAL FOR ICAO

WHITEHOUSE FOR OSTP, CEQ  
USDOC FOR NOAA, ITA  
DOE FOR IE, PE

DEPARTMENT PASS TO: EPA/OIA AND ORD, DOI, DOI/FWS, USDA,  
NSF, USTR

E.O. 12356: N/A  
TAGS: SENV, UNEP, AORC, UNCED, ENRG, EAID, ETRD, KSCA  
SUBJECT: UNEP GOVERNING COUNCIL, MAY 10-21, 1993: BUDGET  
ISSUES

1. AMONG THE KEY ISSUES WHICH WILL CONFRONT THE 1993  
GOVERNING COUNCIL IS THE FACT THAT CONTRIBUTIONS TO THE  
ENVIRONMENT FUND FOR BOTH THE 1992-93 AND 1994-95 BIENNIA  
WILL FALL FAR SHORT OF THE TARGETS SET BY FORMER  
EXECUTIVE DIRECTOR TOLBA AND APPROVED AT GOVERNING  
COUNCIL 16 IN 1991. THIS WILL MAKE IT IMPOSSIBLE TO  
FULLY IMPLEMENT THE CORE PROGRAMS APPROVED FOR EACH  
PERIOD, LET ALONE EVEN BEGIN THE SUPPLEMENTARY PROGRAMS,  
AND WILL REQUIRE REWORKING THOSE BUDGET DOCUMENTS ALONG  
MORE REALISTIC PARAMETERS.

2. STARTING FROM USD 100 MILLION IN 1992, CONTRIBUTIONS WERE TO RISE TO USD 250 MILLION IN 1995, OR 35 PERCENT PER YEAR. FOR THE BIENNIUM 1992-93, THIS WOULD HAVE MEANT TOTAL CONTRIBUTIONS ON THE ORDER OF USD 235,000. THIS WAS SUPPOSED TO FINANCE AN ENVIRONMENT FUND PROGRAM ACTIVITIES (FPA) BUDGET OF USD 180 MILLION. LARGELY BASED ON USG INSISTENCE THAT THE CONTRIBUTION TARGETS WERE UNREALISTIC, THE FPA WAS DIVIDED INTO A CORE PROGRAM OF USD 150 MILLION AND A SUPPLEMENTARY PROGRAM OF USD 30 MILLION TO BE IMPLEMENTED SHOULD FUNDS BE AVAILABLE. IN ADDITION, CONTRIBUTIONS WERE TO FINANCE A FUND PROGRAM RESERVE OF USD 5 MILLION, AND PROGRAM AND PROGRAM SUPPORT COSTS (PPSC) BUDGET OF USD 40.8 MILLION. (THE PPSC IS A FIRST CHARGE ON THE ENVIRONMENT FUND FOR THE BASIC CORE OF POSTS NEEDED TO OPERATE UNEP AS AN ORGANIZATION.)

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3. HOWEVER, ACTUAL CONTRIBUTIONS IN 1992 WERE USD 63.66 MILLION, AND ARE ESTIMATED TO REACH NO MORE THAN USD 70 MILLION IN 1993, THANKS PRINCIPALLY TO A 23 PERCENT INCREASE OF USD 3.88 MILLION IN THE U.S. CONTRIBUTION (FROM USD 17.124 TO 21.0 MILLION). THIS WILL MAKE IT IMPOSSIBLE TO COMPLETE THE USD 150 MILLION CORE PROGRAM FOR THE BIENNIUM APPROVED BY THE 1991 GOVERNING COUNCIL, LET ALONE THE USD 30 MILLION SUPPLEMENTARY PROGRAM.

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4. DECISION 16/23 OF GOVERNING COUNCIL 16 APPROVED THE FUND PROGRAM ACTIVITIES BUDGET. DECISION 16/44 APPROVED THE APPROPRIATION OF ENVIRONMENT FUND RESOURCES FOR THE CORE AND SUPPLEMENTARY PORTIONS OF THE FPA BUDGET. THE SAME DECISION ALSO REQUESTED THE EXECUTIVE DIRECTOR TO DRAW UP A PROGRAM BUDGET FOR 1994-95 WITH A CORE PROGRAM OF USD 160 MILLION AND A SUPPLEMENTARY PROGRAM OF USD 40 MILLION.

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5. ANTICIPATING THAT CONTRIBUTIONS WOULD NOT REACH THE TARGET CALLED FOR, PARAGRAPH 12 OF DECISION 16/44 REQUESTED THE EXECUTIVE DIRECTOR, IN THE EVENT OF A SHORTFALL, TO EITHER (A) FULLY FUND HIGH PRIORITY AREAS IDENTIFIED IN THE PROPOSED BUDGET AND FUND LOWER PRIORITY AREAS TO THE EXTENT POSSIBLE, OR (B) CUT ALL PROGRAM ALLOCATIONS 15 PERCENT. THE EXECUTIVE DIRECTOR WAS FURTHER REQUESTED TO PUT HIS PROPOSED RECOMMENDATIONS TO THE COMMITTEE OF PERMANENT REPRESENTATIVES (CPR), AND TO ACT IN ACCORDANCE WITH THE COMMITTEE'S RECOMMENDATIONS.

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6. PARAGRAPH 18 OF DECISION 16/44 REQUESTED THE EXECUTIVE DIRECTOR TO REPORT TO THE CPR IN THE EVENT HE CONSIDERED IT NECESSARY TO ADJUST THE 1994-95 PLANNING FIGURES, AND TO ACT IN ACCORDANCE WITH THE RECOMMENDATIONS PUT FORWARD BY THE CPR.

7. TO IMPLEMENT DECISION 16/44, THE NAIROBI GENEVA GROUP (NGG), WORKING THROUGH THE PROGRAMME AND BUDGET SUBCOMMITTEE (PBSC) OF THE COMMITTEE OF PERMANENT REPRESENTATIVES (CPR), ATTEMPTED DURING THE LAST SIX MONTHS OF 1992 TO OBTAIN FROM THE SECRETARIAT AMENDED PROJECTIONS FOR THE FLOW AND USE OF RESOURCES THAT WOULD REFLECT THE SHORTFALL IN CONTRIBUTIONS AS WELL AS SPECIFIC RESPONSES PROPOSED BY EXECUTIVE DIRECTOR TOLBA.

8. IN OCTOBER, BASED ON NGG INPUT, THE PBSC STRONGLY URGED DEPUTY EXECUTIVE DIRECTOR TONY BROUGH TO PRESENT GOVERNING COUNCIL 17 WITH A FUND PROGRAM ACTIVITIES BUDGET BASED ON REALISTIC PROJECTIONS OF CONTRIBUTIONS TO THE ENVIRONMENT FUND. BROUGH NOTED THAT THE GOVERNING COUNCIL IN 1991 HAD APPROVED AN FPA BUDGET FOR 1994-95 ENTAILING A USD 160 MILLION CORE PROGRAM AND A USD 40 MILLION SUPPLEMENTAL PROGRAM. THE SECRETARIAT WOULD THEREFORE HAVE TO PREPARE AN FPA BUDGET BASED ON SUCH A PROGRAM. THE PBSC ACCEPTED THIS, BUT NOTED THAT THERE APPEARED TO BE NO CHANCE THAT CONTRIBUTIONS WOULD RISE FAST ENOUGH TO PAY FOR SUCH A PROGRAM, AND REQUESTED THE SECRETARIAT TO PREPARE SCENARIOS BASED ON ZERO, 5, 10 AND 15 PERCENT INCREASES IN CONTRIBUTIONS OVER THE ESTIMATED 1993 LEVEL OF USD 70 MILLION.

9. IN NOVEMBER, THE PBSC, BASED ON PREVIOUS NGG DISCUSSIONS, FOCUSSED ON THE 1993 SHORTFALL. BROUGH AGREED THAT CONTRIBUTIONS OF USD 70 MILLION IN 1993 WOULD DEFINITELY MEAN THAT THE CORE FPA BUDGET OF USD 150 MILLION COULD NOT BE IMPLEMENTED, LET ALONE THE SUPPLEMENTAL USD 30 MILLION PROGRAM, TAKING INTO ACCOUNT THE NEED FOR AN ACCEPTABLE MINIMUM CASH BALANCE AT THE END OF THE YEAR, WHICH WOULD AMOUNT TO BETWEEN USD 10 - 15 MILLION. THIS FIGURE WAS SUBSEQUENTLY REVISED UPWARD TO USD 20 MILLION.

10. THE PBSC NOTED THAT ALL SCENARIOS PREPARED SO FAR BY THE SECRETARIAT WERE UNSATISFACTORY SINCE, REGARDLESS OF THE LEVEL OF CONTRIBUTIONS, NONE OF THEM INDICATED A CUTBACK IN PROGRAM ACTIVITIES. INSTEAD, THE ONLY

VARIABLE WAS THE YEAR-END CASH BALANCE, AND THE SCENARIO BASED ON A 10 PERCENT INCREASE IN CONTRIBUTIONS INDICATED A BALANCE OF ONLY USD 2.7 MILLION. THE YEAR-END BALANCES IN THE SAME SCENARIO FOR 1991 AND 1992 WERE RESPECTIVELY USD 35.4 AND 36.1 MILLION. THIS WAS OBVIOUSLY UNACCEPTABLE BY BROUGH'S OWN STANDARDS. BROUGH ADMITTED OFF-THE-RECORD THAT HE HAD SO FAR BEEN UNABLE TO CONVINCE TOLBA TO AGREE THAT THE USD 150 MILLION CORE PROGRAM COULD NOT BE FULLY IMPLEMENTED, BUT SAID HE WAS WORKING ON IT.

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11. THE PBSC CONCLUDED IT WAS CLEAR THAT THE 1992-93 CORE PROGRAM WOULD HAVE TO BE CUT BACK BY AT LEAST USD 15 MILLION, AND THEREFORE THE EXECUTIVE DIRECTOR WOULD HAVE TO IMPLEMENT PARAGRAPH 12 OF DECISION 16/44. THE PBSC REQUESTED THAT THE EXECUTIVE DIRECTOR ADDRESS THIS ISSUE AT THE 36TH MEETING OF THE CPR ON DECEMBER 9.

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12. U.S. PERMREP, REPRESENTING THE NGG, DRAFTED A REPORT OF THE PBSC TO THE CPR CONTAINING THE ABOVE POINTS, SPELLED OUT IN CONSIDERABLY MORE CONCRETE DETAIL THAN IS USUAL FOR THE SUB-COMMITTEE. THIS REPORT WAS CLEARED WITH THE NGG, WITH THE CPR CHAIRMAN, SWEDISH AMBASSADOR NILS REVELIUS, AND WITH THE PBSC CHAIRMAN, INDIAN HIGH COMMISSIONER KIRAN DOSHI. SIGNIFICANTLY, BOTH REVELIUS AND DOSHI STRONGLY SUPPORTED EFFORTS TO PUT THE FUND PROGRAM ACTIVITIES BUDGET ON A SOLID, REALISTIC FOOTING. THEY STRESSED THAT THEIR INTEREST WAS NOT IN TRIMMING BACK UNEP PER SE OR REDUCING ENVIRONMENTAL EFFORTS, BUT RATHER IN MAKING SURE THAT GOVERNMENTS WERE AWARE OF THE SHORTFALL AND ITS IMPACT SO THAT A CLEAR CHOICE WOULD HAVE TO BE MADE BETWEEN NOT DOING ALL THAT UNEP HAS BEEN ASKED TO DO AS PART OF AGENDA 21, OR INCREASING CONTRIBUTIONS TO PAY FOR IT.

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13. AT THE CPR ON DECEMBER 9, TOLBA PRESENTED A REPORT ON THE FINANCIAL SITUATION OF THE ENVIRONMENT FUND INCORPORATING A REVISED SCENARIO BASED ON THE ASSUMPTION THAT CONTRIBUTIONS WOULD INCREASE AT 10 PERCENT IN 1993 COMPARED WITH 1992, THAT CONTRIBUTIONS WOULD GROW AT AN ANNUAL RATE OF 15 PERCENT FOR THE PERIOD 1993-95, AND THAT THERE SHOULD BE A YEAR-END BALANCE EQUAL TO TWO MONTHS EXPENDITURES THE FOLLOWING YEAR. TOLBA'S CONCLUSION WAS THAT IT WOULD STILL BE POSSIBLE TO IMPLEMENT THE FULL USD 150 MILLION CORE PROGRAM FOR 1992-93. IN ADDITION, BASED ON THE ASSUMED GROWTH IN

CONTRIBUTIONS, IT WOULD ALSO BE POSSIBLE TO IMPLEMENT IN FULL THE CORE PROGRAM FOR 1994-95.

14. TOLBA'S NEW SCENARIO INDICATED A YEAR-END CASH BALANCE OF ONLY USD 7.78 MILLION, FAR BELOW THE FIGURE BROUGH HAD CITED AS THE MINIMUM ACCEPTABLE. HOWEVER, TOLBA ADDED IT WAS THE INTENTION OF THE EXECUTIVE DIRECTOR TO MARK ACTIVITIES THAT COULD BE REGARDED AS SECOND PRIORITY IN THE FPA BUDGET DOCUMENT BEING DEVELOPED FOR 1994-95 TO INDICATE WHERE THE PROGRAM COULD BE CUT BACK BY APPROXIMATELY USD 10 MILLION IN THE EVENT THAT CONTRIBUTIONS GREW BY ONLY 10 PERCENT RATHER THAN 15 PERCENT. TOLBA ADDED THAT THE EXECUTIVE DIRECTOR MAY ALSO USE THE AUTHORITY PROVIDED BY THE GOVERNING COUNCIL TO MOVE RESOURCES BETWEEN BUDGET LINES BY UP TO 20 PERCENT IN ORDER TO BE ABLE TO MOVE AHEAD ON PARTICULAR PROGRAMS WHEN INSUFFICIENT RESOURCES ARE AVAILABLE.

15. TOLBA TOLD THE CPR THAT HE HAD READ THE REPORT OF THE PBSC, AND HAD A LENGTHY DISCUSSION WITH HIS TOP MANAGEMENT COLLEAGUES. HE HAD NO DIFFICULTY WITH THE DEPUTY EXECUTIVE DIRECTOR'S STATEMENT TO THE PBSC THAT A YEAR-END BALANCE OF USD 10 - 15 WAS NEEDED (COMMENT: TOLBA IGNORED BROUGH'S LATER UPWARD REVISION OF HIS OWN FIGURE TO 20 MILLION). UNEP, TOLBA SAID, HAS A FINANCIAL RESERVE OF USD 6.588 APPROVED BY THE GOVERNING COUNCIL (COMMENT: NOT THE SAME AS THE FUND PROGRAM RESERVE OF USD 5 MILLION). SINCE UNEP SPENDS ON THE ORDER OF USD 6.5 - 7.0 A MONTH, IT THEREFORE NEEDS AN ADDITIONAL YEAR-END BALANCE OF ONLY ANOTHER USD 5 - 8 MILLION TO BEGIN 1994.

16. TOLBA ADDED THAT FOR 1994-95, ONLY THE CORE PROGRAM COULD BE FUNDED. THERE WAS NO WAY THE SUPPLEMENTAL USD 40 MILLION COULD BE CARRIED OUT.

17. DURING DISCUSSION, U.S. PERMREP STATED THAT MANY PERMREPS STILL FELT CONCERN THAT THE 10 PERCENT GROWTH IN CONTRIBUTIONS FOR 1993 ASSUMED BY THE ED WAS THE MAXIMUM POSSIBLE, NOT "VERY CONSERVATIVE" AS STATED, AND WERE STILL CONVINCED THAT THE USD 150 CORE PROGRAM COULD NOT BE FULLY IMPLEMENTED. IN ADDITION, THE YEAR-END BALANCE SHOWN WAS FAR BELOW THE REVISED FIGURE GIVEN BY THE DEPUTY EXECUTIVE DIRECTOR. MOREOVER, THE USE OF THE ENTIRE FINANCIAL RESERVE HAD NOT BEEN CONTEMPLATED IN ANY OF THE PREVIOUS SCENARIOS PROVIDED BY THE SECRETARIAT. THE ED'S SCENARIO ALSO SHOWED THAT USD 18.6 MILLION IN

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ACTIVITIES WERE SLATED TO BE CANCELLED OR CARRIED OVER TO LATER YEARS. SINCE IT WAS KNOWN THAT ACTIVITIES ARE NOT CARRIED OVER FROM ONE BIENNIUM TO THE NEXT, BUT ONLY FROM THE FIRST YEAR OF A BIENNIUM TO THE SECOND, THIS COULD ONLY BE INTERPRETED TO MEAN THAT THERE WOULD BE A SHORTFALL OF USD 18.6 MILLION IN THE 1992-1993 CORE PROGRAM. WITH RESPECT TO 1994-95, THE ASSUMPTION THAT OVERALL CONTRIBUTIONS WILL GROW BY 15 PERCENT IS UNREALISTICALLY HIGH. BASING THE 1994-95 FPA BUDGET ON THIS ASSUMPTION WOULD CAUSE MANAGEMENT PROBLEMS LATER ON. WE WOULD STILL SUGGEST THAT THE SECRETARIAT PROVIDE THE GOVERNING COUNCIL WITH 1994-95 FPA ALTERNATIVE BUDGET SCENARIOS BASED ON ZERO, 5 AND 10 PERCENT GROWTH.

18. PERMREP CONCLUDED THAT THE DIALOGUE WITH THE SECRETARIAT IN THE PBSC HAD BEEN VERY PRODUCTIVE AND INFORMATIVE, AND SHOULD CONTINUE. SUBSEQUENTLY, WE WOULD LIKE THE EXECUTIVE DIRECTOR TO FURTHER REVIEW AND EXAMINE THE ISSUE OF 1993 AND 1994-95 FPA BUDGETS AND CONTRIBUTION PROJECTIONS IN LIGHT OF DECISION 16/44 AT THE NEXT MEETING OF THE CPR.

19. TOLBA HEATEDLY ANSWERED THAT HE WAS RESPONSIBLE FOR PROVIDING THE FLOW CHART ON HOW UNEP PROPOSES TO IMPLEMENT THE PROGRAM. "I WANT TO GO ON RECORD," HE SAID, "THAT I CAN NOT ACCEPT OR UNDERSTAND THAT GOVERNMENTS SAID WHAT THEY DID AT THE HEAD OF STATE LEVEL (AT RIO), THEN COME HERE AND REQUEST ZERO GROWTH PROJECTIONS. MY PROJECTION IS REALISTIC - 10 PERCENT IN 1993, AND 15 PERCENT IN 1994-95, WITH 10 PERCENT POSSIBLE. BUT TO COME BEFORE THE CPR WHEN I AM LEAVING THE ORGANIZATION AND ACCEPT THAT GOVERNMENTS ARE NOT PREPARED TO ABIDE BY WHAT THEY SAID FIVE MONTHS AGO IS JUST NOT ON."

20. TOLBA HAS NOW LEFT, AND IT IS CLEAR THAT UNDER BROUGH'S ACTING LEADERSHIP A NOTE OF CONSIDERABLY GREATER REALISM IS BEING INJECTED INTO THE PROGRAM AND BUDGET PROJECTIONS. ON JANUARY 17, FUND MANAGEMENT CHIEF LUIS GUERRERO TOLD PERMREP THAT BROUGH HAS DECIDED TO REVISE THE FPA BUDGET FOR 1994-95. THE USD 160 CORE BUDGET AND USD 40 MILLION SUPPLEMENTAL APPROVED BY THE LAST GOVERNING COUNCIL ARE STILL THERE, BUT THE CORE HAS BEEN DIVIDED INTO A USD 130 MILLION "HARD" CORE AND A USD 30 MILLION SECOND TIER CORE, WITH THE USD 40 MILLION SUPPLEMENTARY BUDGET THROWN IN AS A PURE WISH LIST.

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21. IN ADDITION, GUERRERO SAID, THE 1992-93 SCENARIO PRESENTED TO THE CPR IN DECEMBER HAS BEEN OBE'D AND IS BEING REVISED. IT WILL PROBABLY ENVISAGE A MAXIMUM CORE PROGRAM OF ONLY USD 120 MILLION, COMPARED WITH THE USD 150 MILLION. TOLBA INSISTED ON TILL THE END, WITH A YEAR-END BALANCE OF USD 17 MILLION. THERE IS STILL SOME UNCERTAINTY IN THIS, GUERRERO SAID, BECAUSE THE NEW EXECUTIVE DIRECTOR MUST DECIDE WHETHER TO APPROVE THIS YEAR-END BALANCE OR PLAN FOR A LOWER YEAR-END BALANCE IN ORDER TO ADD POSSIBLY ANOTHER USD 10 MILLION TO THE 1993 PROGRAM.

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22. GUERRERO SAID THE PPSC BUDGET FOR 1994-95 IS PROJECTED AT USD 45.8 MILLION, COMPARED TO USD 37.7 MILLION IN 1992-93. THIS REFLECTS AN INCREASE THAT WOULD RESULT IF ABOUT 20 POSTS, MOSTLY IN CONFERENCE SERVICES, THAT USED TO BE FUNDED BY THE UN REGULAR BUDGET AND WERE SUBSEQUENTLY TRANSFERRED TO THE FPA BUDGET ARE NOW SHIFTED OVER TO THE PPSC WHERE THEY MORE CORRECTLY BELONG. EITHER WAY, THE ENVIRONMENT FUND PAYS FOR THEM, BUT THE SHIFT WOULD ENHANCE CLARITY. THE ONLY OBSTACLE MIGHT BE THE RESTRICTION IMPOSED BY THE GOVERNING COUNCIL THAT PPSC OUTLAYS CANNOT EXCEED 33 PERCENT OF CONTRIBUTIONS.

23. GUERRERO NOTED THAT AS OF THE END OF DECEMBER 1992, UNEP HAD COMMITTED USD 25 MILLION TO THE PROGRAM FOR 1993. THE PPSC BUDGET FOR 1993, WHICH REPRESENTS A FIRST CALL ON THE ENVIRONMENT FUND, WILL BE ANOTHER USD 17 MILLION. THUS, TOTAL COMMITMENTS FOR 1993 ARE ALREADY USD 42 MILLION. UNEP HAS CASH IN THE BANK OF USD 44 MILLION. GUERRERO SAID TOLBA'S POLICY WAS NOT TO COMMIT MORE THAN UNEP HAD IN THE BANK, AND HE ASSUMED THAT THE NEW ED WOULD ADOPT A SIMILARLY PRUDENT APPROACH. TO SOME EXTENT, THIS MIGHT DEPEND ON HOW EARLY MAJOR CONTRIBUTORS PAY THEIR PLEDGES. IF IT BECOMES CLEAR THAT THERE IS A RELIABLE TREND TOWARD EARLIER PAYMENT, THEN UNEP MAY BE ABLE TO SAFELY INCREASE ITS ADVANCE COMMITMENTS.

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24. GUERRERO ALSO GAVE PERMREP A COPY OF THE REVISED OUTLINE OF THE FPA PROGRAM BUDGET DOCUMENT FOR 1994-95, LABELLED "DRAFT FOR DISCUSSION, NOT TO BE QUOTED." THIS SHOWS THE 12 MAJOR SUB-PROGRAMS AND THE PROGRAM ELEMENTS WITHIN THEM. HOWEVER, IT DOES NOT SHOW INDIVIDUAL PROGRAM ACTIVITIES WITHIN EACH ELEMENT. GUERRERO NOTED THAT THE ORIGINAL PROGRAMME BUDGET DOCUMENT DRAFTED IN

NOVEMBER HAD BEEN REVIEWED IN MID-DECEMBER BY OTHER UN AGENCIES IN GENEVA. THIS REVIEW REQUIRED VARIOUS AMENDMENTS. IN ADDITION, THE NEW ED WOULD NOW HAVE TO REVIEW AND APPROVE IT. THUS, IT WOULD STILL BE A LITTLE WHILE BEFORE THE EXACT STATUS OF THE INDIVIDUAL ACTIVITIES UNDER THE PROGRAM ELEMENTS COULD BE KNOWN, EVEN IN DRAFT.

25. GUERRERO ALSO NOTED THAT THE 1994-95 PROGRAM BUDGET DOCUMENTS CONTAINS DIFFERENT SUB-PROGRAMS THAN THE 1992-93 PROGRAM BUDGET DOCUMENT APPROVED BY THE LAST GOVERNING COUNCIL IN DECISION 16/23. THIS REFLECTS THE PROGRAM PRIORITIES SET FOR UNEP BY AGENDA 21 AND THE RESULTING REVISION OF THE UN MEDIUM TERM PLAN APPROVED BY GA 47. THE NEW 1994-95 SUB-PROGRAM HEADINGS ARE AS FOLLOWS:

1. PROTECTION OF THE ATMOSPHERE
2. ENVIRONMENTAL MANAGEMENT OF FRESHWATER RESOURCES
3. ENVIRONMENTAL MANAGEMENT OF TERRESTRIAL ECOSYSTEMS
4. ENVIRONMENTAL MANAGEMENT OF OCEANS AND COASTAL AREAS
5. ENVIRONMENTAL HEALTH, HUMAN SETTLEMENTS AND WELFARE
6. ENVIRONMENTAL ECONOMICS, NATURAL RESOURCES ACCOUNTING AND ENVIRONMENTAL MANAGEMENT TOOLS
7. ENVIRONMENTAL LAW, INSTITUTIONS AND POLICIES
8. TOXIC CHEMICALS AND WASTE MANAGEMENT
9. INDUSTRY, ENERGY AND THE ENVIRONMENT
10. EARTHWATCH, DATA, INFORMATION ASSESSMENT, EARLY WARNING AND ENVIRONMENTAL EMERGENCY RESPONSES
11. CAPACITY BUILDING FOR ENVIRONMENTALLY SOUND AND SUSTAINABLE DEVELOPMENT
12. SUPPORT AND COOPERATION FOR ENVIRONMENTAL ACTION

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26. REGARDING THE SUBSTANCE OF THE 1994-95 PROGRAM AS FAR AS IT CAN BE ASCERTAINED AT THIS POINT, WASHINGTON AGENCIES MAY FIND IT USEFUL TO REVIEW THE DRAFT PROGRAM BUDGET DOCUMENT PROVIDED BY GUERRERO WITH TWO OTHER REPORTS.

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A) NOTE BY THE EXECUTIVE DIRECTOR ON THE OUTCOME OF HIS INFORMAL CONSULTATIONS WITH MINISTERS OF ENVIRONMENT AND HIGH GOVERNMENT OFFICIALS AT UNEP, DECEMBER 10-11, 1992. THE U.S. DID NOT ATTEND. A COPY WAS GIVEN TO PERMREP ON JANUARY 13 BY TOLBA'S CHIEF OF STAFF. UNDER PRIORITY ISSUES FOR UNEP, THE NOTE LISTS:

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- ENVIRONMENT AND ECONOMICS, INCLUDING TRADE AND ENVIRONMENTAL ACCOUNTING;
- ENVIRONMENTAL IMPACT ASSESSMENT, USE OF IN THE UN SYSTEM AND BY GOVERNMENTS;
- CAPACITY BUILDING FOR SUSTAINABLE DEVELOPMENT;
- FINANCING SUSTAINABLE DEVELOPMENT;
- TRANSFER OF TECHNOLOGY;
- EARLY WARNING IN EARTHWATCH;
- EXPANSION OF GOVERNING COUNCIL;
- GLOBAL ENVIRONMENTAL ACADEMY;

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B) "ENVIRONMENT PROGRAMME DRAFT POLICY PAPER" DATED OCTOBER 30, 1992. THIS WAS PREPARED IN CONNECTION WITH A SENIOR STAFF REVIEW CONDUCTED BY THE ED FROM AUGUST 21 - SEPTEMBER 4, 1992 TO CLARIFY UNEP'S PROGRAM RESPONSIBILITIES FOLLOWING UNCED IN LIGHT OF AGENDA 21. ONE-PAGE BRIEFS ARE PROVIDED ON EACH OF THE 12 SUB-PROGRAMS, DESCRIBING THE PURPOSE OF THE SUB-PROGRAM, CURRENT POLICY, AND THE IMPACT OF AGENDA 21 (SPECIFICALLY, WHAT MORE UNEP NEEDS TO DO IN THAT AREA TO RESPOND TO AGENDA 21).

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27. FINALLY, GUERRERO ALSO GAVE PERMREP A LIST OF MAJOR CONTRIBUTORS TO THE ENVIRONMENT FUND. THIS UNDERSCORES THE FACT THAT THE FUNDING BASE FOR UNEP IS EXTREMELY THIN. TOTAL CONTRIBUTIONS FOR 1992 AMOUNTED TO USD 63.66

MILLION. OF THIS, FULLY 96.3 PERCENT WAS CONTRIBUTED BY JUST 15 DEVELOPED COUNTRIES, AS SHOWN BELOW. THE REMAINING USD 2.35 MILLION, OR 3.7 PERCENT, WAS CONTRIBUTED BY 61 OTHER COUNTRIES, MOST OF WHICH ARE ALSO DEVELOPED. THIS SITUATION HAS FUELED DISCUSSION, BOTH IN THE CPR, AT THE INFORMAL MINISTERIAL, AND BY THE CONSULTANTS FOR PHASE II OF THE MANAGEMENT STUDY OF UNEP OF POSSIBILITIES FOR SHIFTING A LARGER PART OF UNEP'S FINANCING TO A SYSTEM OF ASSESSED CONTRIBUTIONS.

| COUNTRY     | AMOUNT IN USD | PERCENT |
|-------------|---------------|---------|
| U.S.        | 17,124,000    | 26.9    |
| UK          | 8,253,000     | 13.0    |
| JAPAN       | 8,000,000     | 12.6    |
| GERMANY     | 5,774,436     | 9.1     |
| FINLAND     | 3,938,648     | 6.2     |
| SWEDEN      | 3,613,963     | 5.7     |
| NORWAY      | 2,803,813     | 4.4     |
| SWITZERLAND | 2,181,818     | 3.4     |
| ITALY       | 2,144,389     | 3.4     |
| FRANCE      | 2,004,008     | 3.1     |
| NETHERLANDS | 1,879,695     | 3.0     |
| DENMARK     | 976,309       | 1.5     |
| CANADA      | 862,995       | 1.5     |
| SPAIN       | 829,464       | 1.4     |
| AUSTRALIA   | 829,464       | 1.3     |
| SUB-TOTAL   | 61,311,685    | 96.3    |
| OTHERS (61) | 2,349,238     | 3.7     |
| TOTAL       | 63,660,923    | 100.0   |

28. IT SHOULD BE NOTED THAT CONTRIBUTIONS TO THE ENVIRONMENT FUND ARE NOT THE ONLY CONTRIBUTIONS TO UNEP ACTIVITIES, AND MANY OF THE DEVELOPED COUNTRIES, INCLUDING SOME NOT LISTED IN THE TOP 15, ALSO MAKE SUBSTANTIAL CONTRIBUTIONS TO SEPARATE TRUST FUNDS FOR SPECIFIC ACTIVITIES, OR HAVE FUNDED MAJOR MEETINGS. IN ADDITION TO ITS CONTRIBUTION TO THE ENVIRONMENT FUND, THE U.S. ALSO CONTRIBUTED USD 800,000 TO UNEP-RELATED MULTILATERAL ENVIRONMENTAL ACTIVITIES SUCH AS THE MONTREAL PROTOCOL, BIODIVERSITY CONVENTION NEGOTIATIONS, BASEL CONVENTION SECRETARIAT, AND CARIBBEAN ENVIRONMENT PROGRAM.

29. COPIES OF FOLLOWING DOCUMENTS ARE BEING SENT VIA DHL  
TO IO/T/SCT (MCGUINNNESS) AND OES/ENV (KINNEY):

A) SET OF DOCUMENTS FROM CPR 36TH MEETING 12/9/92,  
INCLUDING:

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- - REPORT OF THE ED ON THE FINANCIAL SITUATION OF THE  
- ENVIRONMENT FUND IN 1992 (CPR.36/3)
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- - CPR.36/3 ADD 1 - ZERO INCREASE SCENARIO
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- - CPR.36/3 ADD 4 - ED'S RESPONSE TO PBSC
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- - REPORT OF THE ED ON STAFFING IN UNEP (CPR.36/4)
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- - REPORT OF THE ED ON PROGRAMME AND PROGRAMME  
- SUPPORT COSTS (CPR.36/5)
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- - GEOGRAPHIC ROTATION OF GC BUREAU FOR 1993  
- (CPR.36/6)
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- - REPORT OF THE AD HOC WORKING GROUP ON THE MANAGEMENT  
- STUDY OF UNEP (CPR.36/7)
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- - REPORT OF THE SUB-COMMITTEE ON PROGRAM AND BUDGETARY  
- MATTERS OF THE CPR (CPR.36/8)
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B) DOCUMENT FROM 34TH CPR MEETING, 7/22/92:

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- - THE BUDGET PRESENTATION AT GC 17 (CPR.34/4)
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C) DRAFT PROGRAM BUDGET DOCUMENT FOR 1994-95 - PROPOSED  
APPORTIONMENTS.

D) UNEP: REPORT OF THE GOVERNING COUNCIL 16TH SESSION:  
GENERAL ASSEMBLY OFFICIAL RECORDS SUPPLEMENT NO. 25  
(PROGRAM BUDGET DOCUMENT FOR 1992-93 ON PAGE 69).

E) CONTRIBUTIONS TO THE ENVIRONMENT FUND, 1992

F) GLOSSARY OF UNEP PLANNING AND BUDGETING TERMS (THIS  
WILL BE A DOCUMENT FOR GC 17)

G) NOTE OF THE EXECUTIVE DIRECTOR ON THE INFORMAL  
MINISTERIAL CONSULTATIONS DECEMBER 10-11, 1992

H) ENVIRONMENT PROGRAMME DRAFT POLICY PAPER, 10/30/92.  
HEMPSTONE##