were urged to support further strengthening of the Environment Fund through the options envisaged by the Council in its 2002 decision [YUN 2002, p. 1032], including the voluntary indicative scale of contributions. The Executive Director was authorized to reallocate resources between budget lines up to a maximum of 10 per cent of the appropriation to which the resources were re-allocated, and up to 20 per cent, if needed, in consultation with the Committee of Permanent Representatives. He was also authorized to enter into forward commitments not exceeding $20 million for Fund programme activities for the 2004-2005 biennium, and to increase the end of the financial reserve to $20 million as and when carry-over resources became available over and above those needed to implement the programme approved for the 2004-2005 and 2006-2007 biennia. He should step up efforts to mobilize resources from all sources, in order to broaden further the donor base and to enhance income levels.

The Council requested the Executive Director to provide financial details of the work programme to Governments, as well as information on progress made in its implementation twice yearly and to the Committee of Permanent Representatives, on a quarterly basis, with comprehensive information on all financial arrangements made available for UNEP, including core funding, the Environment Fund, earmarked funds and payments by GEF and other sources. He was asked to: propose, in consultation with the Committee of Permanent Representatives, ways of addressing the balance between non-earmarked and earmarked funding of the work programme and ensure clarity with respect to resources and expected results; prepare for the 2008-2009 biennium a work programme consisting of Environment Fund programme activities amounting to $130 million; and submit, in consultation with the Committee of Permanent Representatives, a prioritized, results-oriented and streamlined draft budget and work programme for the 2008-2009 biennium for consideration and approval by the Governing Council in 2007. He was further asked to submit a detailed proposal for the further implementation of the Bali Strategic Plan for Technology Support and Capacity-building [YUN 2004, p. 1040] to the Council in 2006, including an assessment of the availability of requisite technical and financial resources, as well as the implications for UNEP’s work programme and budget.

(For further information regarding the Bali Strategic Plan, see p. 1135.)

Trust funds

The Executive Director submitted a proposal [UNEP/GC.23/9] to reduce the number of trust funds in support of the UNEP work programme, and information on the management of the existing trust funds. Of the 70 trust funds reviewed to determine whether they should have their activities rapidly completed and be closed, the Executive Director expected, that by the end of the 2004-2005 biennium, that number would be reduced to about 31, and another five would have their activities completed and would be closed in 2006.

The Executive Director developed a new partnership agreement policy, whereby donor Governments would provide funding for a number of UNEP programmes and/or activities, and instead of several trust funds for each programme activity, a single trust fund was established for each partnership agreement. Through the new policy, the Executive Director expected to reduce to the minimum the number of trust funds in support of the work programme, especially since most of the trust funds to be closed would not be replaced.

Another possible option for the reduction of trust funds would be to merge into one the 14 personnel trust funds that were expected to be active in 2006-2007. However, the Executive Director was reluctant to reconsider that option, since there was no support for it.

Seventy-four UNEP-administered trust funds were active as at 15 November 2004, including those that supported the UNEP work plan.

On 25 February, the Governing Council approved the actions proposed by the Executive Director to reduce the number of trust funds in support of the work programme [dec. 23/4, section A]. It also approved the establishment of 16 trust funds, the extension of 24 and the closure of 20 others.

Financial reserve loan

On 25 February [dec. 23/4], the Governing Council noted the Executive Director’s report on administrative and other budgetary matters [UNEP/GC.23/9], which included information on the loan from the Environment Fund financial reserve and the progress achieved in the implementation of the first phase of the construction of additional office accommodation at UNON [YUN 2002, p. 1041]. The Executive Director was asked to report to the Committee of Permanent Representatives on further progress on loan drawdowns and the status of the construction project.