

*African Ministerial Conference on the Environment***African Ministerial Conference on the Environment****Sixteenth session**

Ministerial segment

Libreville, 15–16 June 2017

The general trust fund of the African Ministerial Conference on the Environment***Note by the secretariat****I. Introduction**

1. The United Nations Environment Programme (UNEP), in collaboration with the then Organization of African Unity and the Economic Commission for Africa, organized the first session of the African Ministerial Conference on the Environment in December 1985 in Cairo. Since then, 15 regular sessions of the Conference have been organized, and hosted by different African countries. In addition, six special sessions of the Conference have been convened to consider specific environment and sustainable development issues of concern to the region.

2. Funding for the operations of the African Ministerial Conference on the Environment as originally conceived at its first session were to come from two sources:

(a) Voluntary contributions by member States from an agreed percentage of funds provided by respective United Nations Development Programme country offices under budget lines generally known as indicative planning figures;

(b) Contributions from donor countries and agencies.

3. It was calculated at that time that, on the basis of a 5 per cent indicative planning figure contribution from each Government each year, African Governments would contribute \$32 million over a five-year period. It was considered that this approach would be effective in attracting support from donors. However, none of the Country members of the African Ministerial Conference on the Environment ever allocated funds from their indicative planning figure budget lines, and the resulting lack of funding became one of the main constraints facing the Conference.

A. Background information on the general trust fund

4. At its fourth session, in 1991, and taking into consideration the financial constraints that had hampered its activities, the African Ministerial Conference on the Environment decided to set up a general trust fund to ensure a sustainable financial basis for the Conference. The main objective of the fund was to provide financial support, wholly or partially, for the functioning of the organs of the Conference and the implementation of its activities.

5. The general trust fund was established in accordance with article 27 of the Constitution of the African Ministerial Conference on the Environment. The Constitution provides that pledges of contributions to the trust fund shall be made at each session of the Conference and that the fund shall be an agenda item at each regular session.

6. The general trust fund was established on the basis of voluntary contributions. However, at the sixth session of the African Ministerial Conference on the Environment, it was reported that only a few member States had made contributions to the fund. Aware of the importance of the fund as the major means of resource mobilization and the most important means of securing the commitments of

* The present document is being issued without formal editing.

African Governments to the Conference, it was felt that mandatory contributions would be necessary to mobilize the financial resources required to implement the activities of the Conference.

7. At its eighth session, held in Abuja in April 2000, the African Ministerial Conference on the Environment accordingly adopted a series of proposals for policy and institutional change. In its decision 8/5, the Conference resolved to restructure its institutional arrangements and adopt a scale of member State contributions to the general trust fund. In the same decision, it urged its member States to increase their contributions to the trust fund to a total of \$3 million by December 2001 on the basis of the new system of contributions agreed upon at that session. It appealed to donor Governments to make generous contributions to the fund. It also mandated the United Nations Environment Programme to invoice member States for their contributions to the fund on the basis of the goodwill enshrined in the decisions taken with regard to the fund.

8. At the thirteenth session, in June 2010, member states suggested that the work of the African Ministerial Conference on the Environment required considerable financial resources and that it was necessary to ensure that the general trust fund was adequately funded. They therefore, through decision 13/4, urged member States to pay their contributions to enable the Conference to scale up its work and tackle the perennial financial constraints that it faced.

9. At the fourteenth session, a number of representatives expressed concern that the non-contribution by some member States to the trust fund continued to affect the ability of the African Ministerial Conference on the Environment to carry out its activities effectively. Member States were urged to clear their outstanding mandatory contributions and to work with all organs of their Governments to ensure that the mandatory annual contributions to the fund were made in a timely manner.

10. In the Cairo Declaration of its fifteenth session held in March 2015, the African Ministerial Conference on the Environment again urged member states to continue clearing their outstanding mandatory contributions to the general trust fund.

11. There has, however, been limited success in ensuring that all member States make their contributions to the trust fund and do so in a timely manner. Many member States have yet to contribute to the fund, despite continual appeals by the African Ministerial Conference on the Environment and reminders by the President of the Conference and the secretariat to member States. The rather slow mobilization of financial resources from member States continues to be the major constraint on ensuring the effective implementation of the programme of work, activities and decisions of the Conference and on meeting the administrative costs of running the secretariat.

12. Contributions to the trust fund, and the interest that is generated, are in decline, rendering the situation unsustainable to the extent that it may be difficult to convene future sessions of African Ministerial Conference on the Environment if the current trend continues. Urgent measures and commitments are required to ensure that contributions to the fund are regular and sufficient.

B. Resolution adopted at the thirteenth session

13. In its decision 13/4, the African Ministerial Conference on the Environment resolved:

- (a) To urge Governments to make every effort to pay their contributions to the general trust fund;
- (b) Also to urge Governments to make a compulsory yearly minimum contribution of \$10,000 to the general trust fund to enable the Conference to carry out its activities;
- (c) To urge those Governments that can pay more than the yearly minimum contribution to the general trust fund to do so to enable the Conference to scale up its activities;
- (d) To agree to invest \$2 million of the principal of the general trust fund as an absolute minimum investment;
- (e) To request the Bureau to establish a working group to review new and more efficient methods and modalities to mobilize resources;
- (f) To request the President of the Conference to send regular reminders to member States to make their contributions;
- (g) To use the interest generated by the general trust fund and the remainder of the principal that is not invested to carry out Conference activities, cover the costs of Bureau meetings and meet the costs of regular sessions of the Conference and to request the secretariat to make proposals on such use for approval by the Bureau prior to implementation;

- (h) To agree that the general trust fund should continue to be managed by UN Environment as long as the secretariat of the Conference remains with that organization;
- (i) To request the secretariat to continue reporting on the status and use of the general trust fund at sessions of the Conference;
- (j) To extend its appreciation to UN Environment and to urge its Executive Director to continue to provide support to the Conference.

14. As decided at the thirteenth session and reiterated at the fourteenth session and fifteenth sessions respectively, letters reminding member States to make contributions to the trust fund were sent out by the Secretariat and also from the President of the Conference. Contributions received from member States in the biennium 2015–2016 amounted to \$ 372,052, with the interest generated by the trust fund over the same period totalling \$ 27,250. Total income for the biennium 2015–2016, therefore, amounted to \$ 399,302.

15. The United Nations Environment Programme, as the Conference secretariat, continues to manage the general trust fund, which is audited together with the other United Nations Environment Programme trust funds. The most recent audit undertaken resulted in no auditor recommendations for the attention of the Conference. The statement of income and expenditure, financial statement and changes in reserves and fund balances for 2015, together with the interim unaudited statement of income and expenditure, financial statement and changes in reserves and fund balances for 2016, is set out in annex I and annex II to the present note. The status of member State contributions to the trust fund as at 15 May 2017 is shown in annex III.

16. The Secretariat would like to bring it to the attention of the Conference that it is becoming ever more challenging to convene sessions of the Conference and in fact it will no longer be feasible to convene special sessions of the Conference in the periods between regular sessions. It is important to note that on average the cost of convening a session of the African Ministerial Conference on the Environment is approximately \$1.3 million.

17. There is an urgent and increasing need for all member States to make their contributions to the general trust fund in a timely manner and on a regular basis.

II. Use of the trust fund

18. Pursuant to decision 13/4, the secretariat has only been able to utilize the interest generated by the general trust fund and the remainder of the principal that is not invested to fund the implementation of Conference activities. However, the interest earned on the trust fund and the contributions received during the reporting period has relatively been small and this may not be sustainable in the long term for the implementation of the Conference activities.

19. Limited financial support from development partners was also received during the reporting period to cover some of the activities undertaken. The Executive Director of United Nations Environment Programme has also continued to make resources available through various United Nations Environment Programme projects to cover the cost of some activities.

III. Criteria for contributions to the general trust fund

20. Article 27 of the Constitution of the African Ministerial Conference on the Environment provides that pledges to the fund shall be made at each session of the Conference. Member State contributions are thus obligatory. It also provides that observers shall also be encouraged to make such voluntary contributions as they may be in a position to make and that efforts shall be made to solicit financial resources from bilateral and multilateral sources.

21. The introduction of an indicative scale of contributions was once proposed to ensure improved contributions to the trust fund. However, this approach did not materialize, and the Conference continued to experience financial challenges.

22. An alternative and preferred approach to contributions to the trust fund was to determine the minimum financial base needed that would enable the African Ministerial Conference on the Environment to remain operational. The minimum annual contribution to be made by each Member State was hence set at \$10,000 through decision 13/4 in 2010. Member States with the ability to pay more were, of course, to be encouraged to do so.

23. It was envisaged that such an approach would ensure that the burden of payment was shared equally by all member States. For that reason, the base level of payment was made sufficiently low to encourage all member States to contribute.
24. Countries' contributions to the fund are provided on the basis of pledges that they make. Countries are invoiced by United Nations Environment Programme as the Conference secretariat after making pledges. As a rule, the United Nations Environment Programme cannot invoice a country that has not made a pledge. However, very few countries make pledges to the trust fund.
25. It is evident that the Conference needs to look ahead and tackle the issue of funding for its sessions, which include regular and special sessions and Bureau meetings. The African Ministerial Conference on the Environment has continued to encourage member States to pay their contributions to the trust fund, with limited improvement being observed
26. At its sixteenth session, therefore, the Conference should provide a clear direction with regard to contributions to the trust fund, including by adopting a decision that all member States make their pledges in writing at every regular session, and requesting the secretariat to follow up on such pledges with the required invoices to the member States to ensure that contributions are made. The Conference should emphasize that pledges are made at each regular session of the Conference.
27. In addition, the President and Bureau of the Conference should be tasked with making efforts to support the secretariat in mobilizing resources. The Conference may also wish to mandate the President and Bureau of the Conference working with the Secretariat to come up with other innovative mechanisms of mobilizing additional resources for the Conference from partners and other stakeholders, including the private sector.

Annex I

General Trust Fund for the African Ministerial Conference on the Environment (AMCEN) (Fund code: AML)	
I. Statement of Financial Performance for the year ended 31 December 2015 for the period of the biennium 2014-2015 (United States Dollars)	
Revenue	
Voluntary Contributions	185 906
Investment Revenue	5 694
Total Revenue	191 600
Expenses	
Non-employee compensation and allowances	8 298
Travel	89 448
Other Operating expenses	241 371
Other expenses	1
Programme Support costs	58 566
Total expenses	397 684
Surplus/(deficit) for the period	(206 084)
II. Statement of Financial Position as at 31 December 2015 (United States Dollars)	
Current Assets	
Cash and Cash Equivalents	460 164
Investments	1 419 037
Voluntary Contributions Receivable	9 929
Other Assets	68 588
Total Current Assets	1 957 718
Non-Current Assets	
Investments	952 152
Total Non-Current Assets	952 152
Total Assets	2 909 870
Current Liabilities	
Accounts Payable and Liabilities	66 873
Other Liabilities	23 842
Total Current Liabilities	90 715
Noncurrent Liabilities	-
Total Liabilities	90 715
Net Assets	2 819 155
Total Liabilities & Net assets	2 909 870
III. Statement of Changes in Net Assets for the year ended 31 December 2015 (United States Dollars)	
Net Assets:	
Accumulated surpluses/ (deficits) - unrestricted, at the beginning of the period	3 025 239
Excess/ (Deficit) of Revenue over expenditure for period	(206 084)
Total Net Assets at the end of the period	2 819 155

Annex II

General Trust Fund for the African Ministerial Conference on the Environment (AMCEN) (Fund code: AML)	
I. Interim Statement of Financial Performance for the year ended 31 December 2016 for the period of the biennium 2016-2017 (United States Dollars)	
Revenue	
Voluntary Contributions	186 146
Investment Revenue	21 556
Total Revenue	207 702
Expenses	
Non-employee compensation and allowances	14 294
Travel	130 330
Other operating expenses	91 741
Programme Support costs	32 070
Total expenses	268 435
Surplus/(deficit) for the period	(60 733)
II. Interim Statement of Financial Position as at 31 December 2016 (United States Dollars)	
Current Assets	
Cash and Cash Equivalents	750 570
Investments	1 328 925
Advance transfers	11 000
Other Assets	72 108
Total Current Assets	2 162 603
Non-Current Assets	
Investments	639 907
Total Non-Current Assets	639 907
Total Assets	2 802 510
Accounts Payable and Accrued liabilities	41 168
Employee benefits Liabilities	2 920
Total Current Liabilities	44 088
Noncurrent Liabilities	-
Total Liabilities	44 088
Net of Total Assets and Total Liabilities	2 758 422
Net Assets	

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