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Item 6 of the provisional agenda*

Financial and budgetary arrangements for the Panel

Draft financial procedures for the Intergovernmental Science-Policy Panel on Chemicals, Waste and Pollution

Note by the secretariat

1. The Intergovernmental Science-Policy Panel on Chemicals, Waste and Pollution was established at the intergovernmental meeting to establish a science-policy panel to contribute further to the sound management of chemicals and waste and to prevent pollution, held on 20 June 2025 in Punta del Este, Uruguay. The intergovernmental meeting adopted decision IM/1 on the establishment of the Panel, which, in paragraph 25 of the foundational document set out in the annex to the decision, specifies that the Plenary, at its first session, will decide on financial procedures, including the details of the modalities related to the provision in paragraph 24 (c) of the foundational document.

2. The annex to the present note contains draft financial procedures for the Panel as developed by the secretariat.

3. The Plenary may wish to consider the draft financial procedures set out in the annex to the present note with a view to finalizing the financial procedures for the Panel.

* UNEP/ISP-CWP.1/1.

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Annex

Financial procedures for the Intergovernmental Science-Policy Panel on Chemicals, Waste and Pollution

Scope

1. The following procedures will govern the financial administration of the Intergovernmental Science-Policy Panel on Chemicals, Waste and Pollution (hereinafter "the Panel") and its secretariat. They are to be applied in addition to, and in full compliance with, the regulations and rules of the United Nations and the United Nations Environment Programme (UNEP), including the "Financial regulations and rules of the United Nations" and the financial rules and procedures of UNEP. In case of any conflict between the present procedures and the regulations and rules of the United Nations and UNEP, the regulations and rules of the United Nations and UNEP will prevail.

Financial year and budgeting period

2. The financial year will be the calendar year. The budgeting period for consideration by the Plenary will be the biennium constituted by two consecutive calendar years, beginning with an even year.

Intergovernmental Science-Policy Panel on Chemicals, Waste and Pollution Trust Fund

3. The Intergovernmental Science-Policy Panel on Chemicals, Waste and Pollution Trust Fund (hereinafter "the Trust Fund") finances the activities of the Panel and the secretariat on a full-cost-recovery basis. The adoption of the Panel's budget is the responsibility of the Plenary.

4. The Trust Fund is open to voluntary contributions from all sources, including Governments, United Nations bodies, other intergovernmental organizations and other stakeholders, such as private sector entities and foundations. The amount of contributions from private sources must not exceed the amount of contributions from public sources in any biennium. Before acceptance of any contribution to the Trust Fund, potential donor sources must be reviewed and approved in accordance with the regulations and rules of the United Nations and UNEP.

5. Financial contributions to the Panel should be sent to the Trust Fund only after agreement with the secretariat and in accordance with the regulations and rules of the United Nations and UNEP. Contributions will not orient the work of the Panel, be earmarked for specific activities or be given anonymously, and they will be consistent with the functions, operating principles and approaches, and institutional arrangements of the Panel and fall within the Panel's approved work programme.

6. In-kind contributions from Governments, the scientific community and other knowledge holders and stakeholders will be key to the success of the implementation of the work programme. In-kind contributions will not orient the work of the Panel and will be consistent with the functions, operating principles and institutional arrangements of the Panel and the regulations and rules of the United Nations and UNEP.

7. In-kind contributions will be recognized at the fair financial value of the contribution, based on the fair market value at the time the contribution is received, for reporting in the financial statement of the Organization.

8. Notwithstanding paragraph 5 above, contributions for specific activities approved by the Plenary may be accepted. Single contributions in excess of \$3 million[1] per contributor per activity require prior approval by the Plenary. Single contributions between \$300,000 and \$3 million per contributor per activity require prior approval by the Bureau. Single contributions of less than \$300,000 per contributor per activity require prior approval by the Executive Secretary. The limitation set out in paragraph 4 above applies. Before any contribution to the Trust Fund is reviewed by the Plenary, the Bureau or the Executive Secretary, potential sources must be reviewed and approved in accordance with the applicable regulations and rules of the United Nations and UNEP.

[1] All references to "\$" are to United States dollars.

Currency

9. The currency for budgeting and reporting receipts and expenditures will be the United States dollar. Contributions not paid in United States dollars will immediately be converted at the United Nations exchange rate at the date of cash receipt and recorded by UNEP.

Budget

10. In consultation with the Bureau, the secretariat will prepare a proposal for the budget and transmit it to the members of the Plenary at least six weeks before the session at which the budget is to be approved.

11. Budgets must be adopted by the Plenary prior to the start of the periods that they cover.

12. The adoption of the budget by the Plenary will constitute authority to the Executive Secretary, under the general oversight of the Executive Director of UNEP, to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts approved, provided that the balance of the Trust Fund covers the overall budget appropriation.

13. The Executive Secretary is authorized to reallocate within the budget, if necessary, up to 10 per cent of an appropriation line. The Plenary may revisit this limit from time to time by consensus. A budget appropriation line constitutes a major budget category for activities or products.

14. In the event that the available balance in the Trust Fund is less than the approved budget, the Executive Secretary, following approval by the Bureau, is authorized to adjust the allocations to bring the budget into line with the actual income received. The Executive Secretary cannot allocate to a budget line an amount greater than the level approved by the Plenary for that specific budget line item, except with the approval of the Bureau. The Executive Secretary will report to the Plenary at its earliest session thereafter on any such adjustments.

Contributions

15. The resources of the Panel will consist of:

(a) Voluntary cash contributions provided by members of the Panel and other contributors to the Trust Fund;

(b) The cost of any staff seconded to the secretariat;

(c) The cost of housing the secretariat, if provided by a host Government;

(d) Other in-kind contributions provided to the Panel and its secretariat;

(e) Other receivables.

16. All cash contributions will be paid in convertible currencies into the bank account designated by UNEP. Contributions supporting the work programme of a given year should be made as early as possible and, if possible, before the start of the year, to allow timely programming and implementation.

17. The secretariat will acknowledge all pledges and contributions promptly and will inform the Plenary at each session regarding the status of pledges, contributions and expenditures. The report of the secretariat will include a specific reference to in-kind contributions to the extent that it is feasible to have these reliably measured.

Working capital reserve

18. UNEP will maintain an adequate level of operating reserve in the Trust Fund to cover any delays in payment of contributions and unforeseen expenditures and to meet the final expenditures of trust fund activities, including liquidating liabilities. The amount of the reserve will be based on an objective assessment of the scope and type of the planned activities as agreed in the work programme, the estimated annual expenditures and the financial risks associated with the activities of the Trust Fund. The recommended practice is to keep, as an operating reserve, a minimum of 15 per cent of the total annual budget approved by the Plenary. The operating reserve is constituted from underspent budget matched by cash contributions. The Executive Secretary will initiate any drawdowns from the reserve, in consultation with the Bureau, after informing the members of the Plenary. The reserve will be restored from contributions as soon as possible and as a priority.

Accounts and audit

19. The financial statements of the Trust Fund will be prepared in accordance with International Public Sector Accounting Standards and the relevant standards used by UNEP and will be subject to internal and external audit practices as stipulated in the "Financial regulations and rules of the United Nations". Such financial statements and any remarks relevant to the Trust Fund made by the auditors will be presented to the Plenary. Responsibility and accountability for financial reporting reside with UNEP.

General provisions

20. In the event that it is decided to terminate the Trust Fund, the members of the Plenary will be advised at least six months before the date on which termination is to take place. The prorated uncommitted overall balances will be reimbursed to the contributors after all liquidation expenses and all liabilities have been met.

21. In the event that it is decided to dissolve the secretariat, UNEP will be advised at least one year before the date on which dissolution is to take place. All liabilities and costs pertaining to the dissolution will be borne by the Trust Fund.

22. Any amendments to the present procedures will be adopted by the Plenary by consensus.