UNEP's Updated Resource Mobilization Strategy

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UNEP's updated Resource Mobilization Strategy recognises the changing global landscape today. It lays out the need for stronger Member State commitment to UNEP's core funding while also underscoring why UNEP is an excellent investment. Today more than ever, UNEP represents a strong value add that responds to the Member States' needs for greater security, stability and ensuring that the environment is under review, especially in the context of conflict, indebtedness and instability. The updated Strategy presents a business case that highlights UNEP's revitalised offer to its critical partners that include Member States, bilateral and multilateral funds, the private sector and philanthropies. The updated Resource Mobilization Strategy provides the basis for effective implementation of the MTS 2026-2029 and Programme of Work and Budget 2026-2027. UNEP requires US$ 1.113 billion for the first biennium of the strategic period from all sources of funding that include Regular Budget, the Environment Fund, earmarked funds and the Global Funds. Sustained and dependable commitment from UNEP's partners is more critical today than ever before.

I. Rationale: The need for a new strategy for a challenging global landscape and new needs.

Four years before 2030, the global landscape has shifted dramatically.

Five trends and risks provide the rationale for an updated Resource Mobilization Strategy at UNEP. First, environment is under threat. Critically. In the Global Risk Report (2026) environment was ranked the lowest amongst nations' immediate priorities, despite many noting that variability and uncertainty due to climate change related events, biodiversity loss and increased pollution were amongst their top concerns. Environment risks were viewed as marginal to economic and inequality concerns — areas that were on top of the priorities for most respondents. This represents a significant shift over the past ten years.
Second, countries are far more concerned about indebtedness and economic growth. In this context, geoeconomic confrontation is viewed as a key global risk with a large focus on security and domestic self-sufficiency. Third, it is clear that transactional assistance and transactional aid is the new world order. Most development and financial assistance is predicated on ensuring that countries obtain a national benefit for themselves, rather than a 'global good'. Simultaneously, the revitalisation of the UN in its eightieth year (UN80 initiative) is a recognition that the United Nations (UN) must reinvent itself, while becoming more impactful and efficient. Fourth, humanitarian and security issues as well as supply chain sovereignty are playing a far greater role in international assistance, along with efforts to ensure stability. Last but not least, there has been an increasing concern with erosion of human rights, involuntary migration and forced displacement since the frequency and intensity of strife has increased[1].

These risks and trends have consequences for the implementation of the UNEP Medium-Term Strategy 2026-2029 (MTS 2026-2029). As the leading global environment authority mandated to support countries achieve their internationally agreed environmental commitments and 'keep the environment under review', UNEP notes the importance of meeting environmental objectives while attending to nations' concerns about growth, jobs and inequality.

[1] World Economic Forum, *The Global Risks Report 2025*, 20th ed. (Geneva: World Economic Forum, 2025), pp. 17–24. Global Risks Report 2025 | World Economic Forum

For UNEP, this means that programmes targeting climate, biodiversity and land degradation and pollution, waste and harmful chemicals, need to present opportunities for greater economic and societal gains, in addition to environmental gains.

UNEP's singular and critical normative role in environment must also support countries with policy options that simultaneously manage indebtedness, enhance national security and self-sufficiency while reducing vulnerability and managing the devastating consequences of forced displacement, conflict and disaster. Last but not least, UNEP's updated Resource Mobilization Strategy acknowledges the financial limitations that countries face in contributing to the environment and highlights the importance of leveraging additional resources from a diversity of sources including the private sector, philanthropies and public development banks as a complement to public financing and to fulfil UNEP's mandate and UNEA approved medium-term strategy 2026-2029 and programme of work 2026-2027.

UNEP's resource needs arise from its mandate to serve the global good, providing normative leadership and delivering benefits to people and planet. UNEP's MTS 2026–2029 sets the vision and strategic objectives for UNEP's work, articulating the organization's commitment to advancing "solutions for a healthy, prosperous and resilient people and planet." The MTS 2026-2029 positions UNEP to deliver along the three strategic objectives of: (a) climate stability; (b) living in harmony with nature: land, ocean and freshwater; and achieving land degradation neutrality; and (c) a pollution-free planet, through three thematic, two foundational and two enabling subprogrammes while ensuring that UNEP is financially robust and delivering effectively and efficiently. UNEP pursues this aim through inclusive, co-created solutions that employ system-wide approaches within the United Nations system and globally.

The objective of this updated Resource Mobilization Strategy is to secure adequate resources to ensure UNEP's continued delivery of its core mandate which is inter alia to "co-ordinate (…) environmental programmes within the United Nations system, to keep their implementation under review and to assess their effectiveness"[2] and, to promote "the coherent implementation of the environmental dimension of sustainable development within the United Nations system and serve as an authoritative advocate for the global environment"[3], while supporting Member States through the delivery of MTS 2026-2029 and related Programme of Work. To enable this, as stated in the POW 2026-2027, US$ 200 million is required for the Environment Fund[4] and after accounting for US$ 41.7 million from Regular Budget, UNEP requires an additional $872 million for country support, making a total of $ 1.113 billion required for the first biennium of the strategy period.

II. Historically, Member States have always shown a strong commitment to UNEP

To achieve the overall resource target, UNEP requires first and foremost, adequate core funding for the Environment Fund. The Environment Fund gives the organisation the spine that its work programme is structured around including, critically, its normative work.

[2] Resolution 2997 (XXVII) of 15 December 1972
[3] Resolution 53/242 of 10 August 1999
[4] This amount was the ambition when UNEP came into being. It is important to note that this ambition has not changed in nominal terms even though the world has experienced 697% inflation since then (Bureau of Labor Statistics, USA). This means, that a dollar today buys only 12.5% of what it would buy in 1972.

Governing Council decision SS.VII/1 of 15 February 2002 established the Voluntary Indicative Scale of Contributions (VISC) to broaden UNEP's funding base and enhance the predictability of core contributions to the Environment Fund through contributions from all Member States taking into account their economic and social circumstances. Successive UNEA decisions approving UNEP's Medium-Term Strategies and Programmes of Work and Budgets have further encouraged all Member States to contribute to the Environment Fund[5].

The Environment Fund builds and sustains UNEP's capacity for balanced and effective delivery of its Programme of Work as approved by Member States, its normative work at the global, regional and national levels, its support to countries for implementing their environment commitments including those for the Multilateral Environment Agreements (MEAs) and its ability to effectively and quickly respond to unanticipated challenges.

The Environment Fund also supports important core services such as convening Member States, governance, science, data, quality assurance, strategic direction, innovation, rapid deployment to respond to environmental crises, monitoring, and adaptive capability and capacity development for implementing internationally agreed norms and standards, advocacy for environmental leadership and integrated policy packages. It also supports impact measurement, regular implementation assessments, knowledge platforms and learning, digitization of functions and system-wide safeguards.

As a public, Member State-driven institution, the responsibility for resourcing the Environment Fund lies with its 193 Member States. Member States are not only beneficiaries of UNEP's work but also its owners and decision-makers. Indeed, by adopting the MTS and the Programme of Work and Budget in December 2025 by consensus, Member States have committed to ensuring that UNEP is sufficiently funded. Without this commitment, the delivery of agreed priorities, and the achievement of global environmental goals, remains at risk.

UNEP's Income Trends: From 2015 to 2024 UNEP's annual income almost doubled from US$ 419 million to US$ 796 million. In 2023 and 2024, core contributions to the Environment Fund reached their record levels: Member States' annual contributions crossed the US$ 90 million mark (see Chart 1) making significant headway towards the long-established goal of $100 million per year. During this period, earmarked contributions to UNEP peaked at over US$ 685 million.

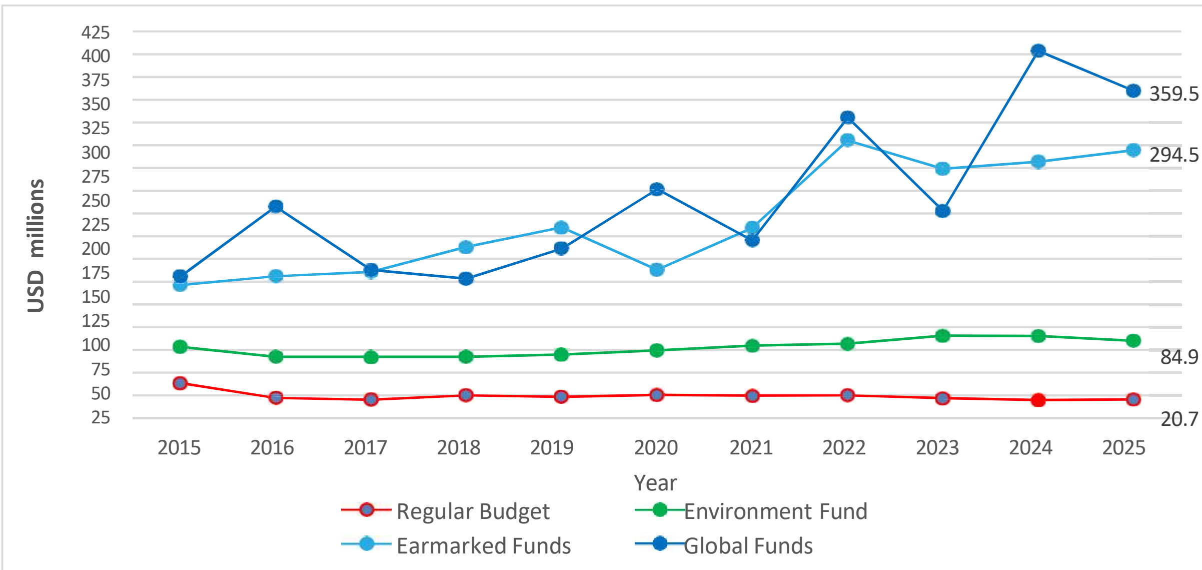
However, during this period of steady growth, UNEP's funding structure — with high dependence on ad hoc and tightly earmarked resources, has remained vulnerable to global financial and geo-political shocks. Over 95% of UNEP's funding has been voluntary, and over 80% of it is tightly earmarked. Of this the Regular Budget has contributed 3-4% of UNEP's overall budget. UNEP's top 15 funding partners provide over 90% of the core funding to the Environment Fund. In 2025, global and UN system-wide trends caught up with the organization: UNEP saw a drop in overall income to $754 million, and to $85 million for the Environment Fund.

[5] [5] See United Nations Environment Assembly resolutions 1/15 and 2/20; decisions 5/2 and 7/6; and the political declaration adopted at the special session commemorating the fiftieth anniversary of the establishment of UNEP (UNEP/EA.SS.1/4).

In recognition of global trends of falling Official Development Assistance (ODA), and to ensure further strengthening its focus on the Environment Fund, UNEP urges Member States to fulfil their commitments to provide secure, stable, adequate and increased contributions, in particular to the Environment Fund, in adherence to the VISC.

UNEP will further strengthen current partnerships and build new partnerships to attract complementary funding to the Environment Fund. In this context, the role of Member States is critical to ensure that earmarked funding that they provide directly and indirectly through Member State-led institutions and funds, remain consistent and supportive of UNEP's mandate.

Chart I: 2015-2025 UNEP Funding Trends



Note: Regular budget are allocations from the UN Secretariat. Environment Fund includes unearmarked voluntary contributions from Member States, in response to VISC. Global Funds include funds from the GEF and GCF. Earmarked funds include non-global funds coming mostly from bilateral and multilateral sources, that are softly or hard earmarked.

Chart I shows that financing trends for UNEP have largely followed trends witnessed in the larger United Nations system. In 2025, Official Development Assistance (ODA) from OECD Development Assistance Committee (DAC) members declined sharply, falling by 23.1% in real terms to US$ 174.3 billion, mirroring a broader contraction in multilateral financing[6]. Between 2020 and 2023, revenue for the UN system fell nearly 13% in real terms from US$ 74 billion to US$ 67.6 billion[7]. Over this period, earmarked contributions to the UN more than doubled, exceeding 70% of total UN funding. It is to be noted that flexible modalities within the UN, such as pooled or thematic funds, have remained at around 5% of total funds. This growing reliance on earmarked resources signals the beginning of a broader trend that compels the UN to consider how its systems can maintain effective mandate delivery while adapting to funding constraints that will likely persist[8].

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[6] See for example https://one.oecd.org/document/DCD(2026)8/en/pdf.
[7] Financing the UN Development System 2025 Report.
[8] Financing the United Nations: status quo, challenges and reform options; Financing the UN Development System: Resourcing the Future (10th edition, Sept 2024).

These wider funding trends have direct implications for UNEP. Insufficient Environment Fund and other flexible funding would:

- undermine the balanced delivery of the Programme of Work approved by Member States and constrain UNEP's ability to respond rapidly to emerging environmental crises;
- increase dependence on a small number of major funding partners, leaving limited scope to mitigate sudden changes in their funding priorities or contribution patterns;
- deepen the misalignment between available funding and organization level priorities, weakening programme coherence and delivery efficiency at the global, regional and country levels; and
- erode confidence among Member States and funding partners in UNEP's ability to deliver effectively and demonstrate value for money with key implications for its normative functions.

III. Strengthening UNEP is an excellent investment.

III.1 UNEP's Environment Fund is the backbone of the organization.

The Environment Fund is 'The Fund' that supports a stronger, faster, smarter UNEP. The Environment Fund is the foundation that ensures UNEP is delivering on its mission "to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations". It ensures that UNEP has the essential capacity to deliver on its core mandates that include setting the global environmental agenda and serving as an authoritative advocate for the global environment.

Contributions to the Environment Fund are foundational for UNEP's ability to deliver science-based, equitable, efficient, and impactful environmental action worldwide. The Environment Fund helps to:

- **Produce science and convert science into country relevant policy and actions:** The Environment Fund ensures that UNEP produces cutting-edge science for the environment, and that science can be disseminated widely and deeply. It also helps ensure that UNEP's normative work is translated into timely, evidence-based and data-driven policies that are usable in countries. The Environment Fund also helps to ensure that UNEP's normative work raises public awareness on critical and emerging environmental issues and that UNEP is able to convene decision makers and the wider scientific community, policy makers, civil society, and the private sector, to ensure that both the generation and use of science is participatory and inclusive. With the Environment Fund, UNEP promotes strong science-policy interface to support informed decision-making, build capacity in countries, and support and facilitate access to technology.
- **Ensure quality and leverage resources to multiply every dollar received:** The Environment Fund helps UNEP leverage earmarked resources by building strong pipelines and ensuring strong project designs and quality assurance, that embed safeguards in its technical, advisory and capacity building work. The Environment Fund (EF) also helps to ensure policy and programmatic coherence and synergies within UNEP and across the multilateral environmental agreements that it administers.

- **Coordinate environmental activities across the UN system:** UNEP hosts the secretariat for the UN Environment Management Group (EMG), which was established in 2002, to enhance interagency coordination in the field of environment and human settlements[9]. Chaired by UNEP's Executive Director and constituted by the principals of 51 member entities across the UN system, EMG brings together UN agencies to coordinate environmental activities for synergies and complementarity and to speak with one amplified voice on specific environmental issues. The Environment Fund supports this work critically. In the context of the evolution of the UN, this function will become even more important. Resources are required to strengthen UNEP's overall horizontal and vertical coordination role, as anticipated under EMG 2.0.
- **Reach the most vulnerable**: The Environment Fund enables faster and smarter delivery, especially in countries that would otherwise be left behind. These include the increasingly vulnerable Small Island Developing States (SIDS), Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and marginalized populations, where last mile benefits matter most. In the current landscape of reduced ODA, and diminished attention to the environment, EF helps to ensure that countries most at risk of leaving the environment behind, are supported to deliver on their environment related commitments. Additionally in fragile and conflict affected areas, EF helps to specially support affected communities, generate actionable science and ensure that the world community is called to action (See Chart 2).
- **Help maintain proximity despite distance:** EF also supports the operation of five UNEP Regional Offices so they can provide normative and operational services to countries. As a non-resident agency, EF is vital in ensuring that UNEP is responsive and relevant to countries while realizing economies and efficiencies of scale. UNEP uses EF to galvanize expertise on demand with agility, support regional efforts including engagements with ministries of finance, environment and others, support UN Sustainable Development Country Frameworks (UNSDCF) and ensure that environment is mainstreamed into Country Cooperation Agreements while also developing Country Engagement Plans[10].
- **Enable strong implementation and impact:** Environment Fund ensures that UNEP can focus on integrated policy development at the country level, drive catalytic initiatives that enable partners to reach scale, and develop partnerships with global and country level stakeholders. EF helps develop internal systems and processes that in turn help UNEP to deliver strongly — processes that assure regular monitoring, oversight, evaluation and measurement. With the MTS 2026-2029 and POW 2026-2027, UNEP is committed to measuring and communicating its impact, while focusing on delivery and implementation on the ground. It is also committed to generating and disseminating evidence on the effectiveness, cost-effectiveness and efficiency of its own projects and programmes, learning from both design and implementation, including on what works and what does not, how much, for whom and why. These are all assured by the availability of core EF resources.

[9] Pursuant to General Assembly resolution 53/242
[10] This is seen in the PPR 2025 for example.

III.2 UNEP's strong Results Measurement System connects extra-budgetary funding with a triple-win strategy.

Where contributions to EF are not possible, UNEP encourages funding partners and contributors to provide softly earmarked funds that are flexible. Instruments such as the Planetary Funds for climate, nature and pollution are aligned with UNEP's priorities laid out in the MTS 2026-2029. The three Planetary Funds are designed to ensure that their key impacts are achieved at the portfolio level, with UNEP's activities, broadly organized into normative, convening, training and advisory, all working cohesively to position the Planetary Funds as 'impact funds' that are aligned with UNEP's three strategic pillars, achieve credible, measurable and reported impacts, and ensure that equity, economic and social safeguards are achieved in countries. This represents a triple win for contributors.

Further, softly earmarked funds secure UNEP's ability to scale and achieve impact by allocating resources where they are most needed within the selected thematic area and geographies.

Today Planetary Funds should be viewed as impact funds that guarantee, at the portfolio level, credible impacts for: climate (measured by reductions in GHGs; and increases in resilience of people to climate risks); ecosystems and land degradation (measured in increases in ecosystem resilience and reduced land degradation); and pollution, chemicals and waste (measured by reductions in exposure to harmful chemicals and pollution). UNEP's strong focus on results positions it as a credible 'impact agency'.

Investing in UNEP's programmes and policies ensures that contributors are investing in a triple-win strategy. How?

- *UNEP's POW is informed by its results measurement system*, that indicates in real time, gaps and opportunities in UNEP's overall portfolio relative to its commitments. Informed by its results system, UNEP allocates flexible extrabudgetary resources strategically to its Subprogrammes to amplify UNEP's impact, scale pilots and expand projects that have worked.
- *UNEP ensures that all extra-budgetary programming is aligned with national development strategies* while ensuring that environmental goals are met. Softly earmarked extra-budgetary resources, in turn, help to ensure that contributing countries can benefit from 'positive spillovers' from investments in environment, such as stronger growth, lesser inequality, secure supply chains and lesser conflict and disasters that in turn lead to lower vulnerability and greater stability.
- *UNEP has committed itself to system-wide change* rather than fragmented, siloed changes. UNEP's One Impact framework contributes to UNEP's results-based management and programme oversight. Together with quality assurance, strong safeguards and measurement, UNEP will seek to ensure that different funding streams (Regular Budget, Environment Fund, Global Funds and other extra-budgetary resources – although some of these will remain opportunistic and difficult to plan for) are synced and planned with the view to achieving organization wide goals, thus mitigating fragmentation and siloed behavior.

IV. Pivoting strategically: what will UNEP focus on differently in this challenging landscape?

IV.1 First, build a stronger & more visible business case and establish measurable value for money.

UNEP's value proposition for its services and the impacts they deliver will become more intentional in 2026–2029. Over the next biennium UNEP's twin focus will be on implementation and impact. **This pivot is underscored by four key strategic shifts:**

First, with more efficient business processes both at UNEP HQ and in the regions, consolidated regional hubs, a strengthened implementation of the delivery model that leverages UNEP's global presence, ensures standardized implementation processes, and builds on subprogramme impact pathways and country relevant plans, UNEP's implementation of its policies and programmes will become faster, and smarter, without relinquishing quality and equity.

Second, UNEP will invest in strengthened delivery and demonstrating impact to inform the allocation of its human and financial resources toward work areas and implementation modalities with the greatest potential to generate the four impacts across the three strategic objectives of climate stability; living in harmony with Nature: land, ocean and freshwater; and achieving land degradation neutrality; and a pollution-free planet [11]. Allocation decisions will be guided by subprogramme portfolio coordination and analysis of regional demands to identify funding gaps, complementarities and potential overlaps, while taking account of geographical balance, equitable access to UNEP support, and attention to regional priorities. This will help ensure that new activities build on existing interventions, address unmet needs and avoid unintended duplication. Upon request by Member States, and where UNEP is deemed best placed to provide such support, UNEP may also support developing countries in moving from plans to project pipelines. Regular progress monitoring and reporting across its outcomes, delivered through its subprogrammes, will further deepen the transparency of where and how UNEP is making a difference while also generating science of implementation and learning that is globally available.

Third, UNEP will continue its work in response to requests to support Member State commitments made under the various Multilateral Environment Agreements. UNEP will ensure that activities in climate, nature, land and pollution, as appropriate, support Member States achieve their respective commitments and targets. As always, of course, and considering that the GEF is the primary funding vehicle for a significant number of MEAs, programmatic support provided in this context will be financed through the relevant extra-budgetary resources and will not imply the use of UNEP core resources.

Fourth, UNEP will continue to coordinate environmental science, standards and learning across the UN system, through the Environmental Management Group and will further ensure that this learning is integrated into UN country programming, ensuring more coordinated and effective environmental responses and policies based on science and agreed approaches across UN agencies and at the country level. In fulfilling this role, UNEP will leverage its critical role as Chair of the EMG while also spearheading this approach as part of Work Package 27 under the UN80 initiative.

[11] This is also requested by the UN80 initiative as well as recommendations by JIU, BOA and other entities.

IV.2 Second, make Member State contributions and UNEP's partnerships contributions more visible.

UNEP will focus on communicating its value for money better. Value for money is a central pillar of UNEP's resource mobilization efforts.

UNEP's communication will focus on realizing and making UNEP's value for money visible and more recognized globally. In the context of resource mobilization, UNEP will communicate three core objectives: (i) promoting UNEP's mission by showcasing credible results enabled through core and flexible funding; (ii) enhancing recognition and appreciation of funding partners - particularly the top 15 and full-share contributors to the Environment Fund; and, (iii) broadening engagement with potential new partners with the offer of high value for money achieved by results at the global, regional and national levels.

To achieve this, UNEP will use technology, data analytics and media to build partnerships and strengthen UNEP's brand, value proposition, impact and return on investment.

This includes strengthening messaging across platforms and communications products, maximising opportunities to recognise and appreciate Member States and other funding partners, simplifying processes to build and sustain partnerships, and identifying new pathways to boost UNEP's visibility, credibility and unique role as a trusted partner for environmental action. UNEP will strive to stay aligned with best practices in the changing digital ecosystem, optimizing content for different platforms. The approach will evolve in step with evidence, prioritizing communications that demonstrate strong impact and positive reception among funding partners.

IV.3 Third, strengthen the internal enabling environment for resource mobilization and effective utilisation of mobilized resources.

To strengthen a coherent approach to resource mobilization in a decentralised operational environment, UNEP will streamline its internal process architecture including the operationalization of its Partnerships Policy to enhance effective engagement with funding partners, meeting commitments made and delivering impactful results. For the effective utilisation of resources to ensure continued trust and confidence from the donor community, UNEP will further strengthen its risk-contextualized management approach, supported with the standardized operational guidance.

V. Pivoting operationally: what new modalities will UNEP adopt to ensure additional and qualitatively different resources?

V.1 First, strengthen existing partnerships.

Strengthening UNEP's value proposition to Member States for EF contributions: 193 Member States have stepped up to finance the EF in increasing numbers, but there is still a way to go.

To achieve the ambition of $100 million per annum, UNEP will further intensify its outreach globally, regionally and nationally and will continue applying the Voluntary Indicative Scale of Contributions (VISC)[12] as established by UNEA's predecessor, the UNEP Governing Council.

UNEP and its key funding partners: Member States provide critical voluntary contributions to the EF. Additionally, UNEP is a critical partner for the Global Funds that include the Global Environment Facility (GEF), the Green Climate Fund (GCF) and the Adaptation Fund as well as the European Commission and increasingly the private sector and philanthropies. As mentioned earlier, the past few years of changing geo-economics and political disruption, along with the reduction in ODA, have meant that the strategies for many of these partners are changing (see Boxes 1 and 2). While staying true to its overall strategy, UNEP is responding rapidly and its value added today is stronger than ever.

Summarily, for the Global funds, the EC and the private and philanthropic sector, UNEP's main strengths are:

UNEP leverages contributions with strong co-financing. So far UNEP has mobilized over $11.6 billion in co-financing against $1.7 billion in GEF resources, achieving a leverage ratio of 6.7 for every dollar. Since UNEP's accreditation to the GCF in 2015, the GCF portfolio has grown steadily to 100 projects valued at $503 million (excluding co-financing) across 78 countries, spanning both adaptation and mitigation. GCF grants have leveraged an additional $53 million in co-financing[13].

UNEP helps to multiply standards. Increasingly there are product, process and export environmental standards (those required by the MEAs, circular economy norms, product and process taxonomies etc.). UNEP is helping to translate these environmental standards into multilateral frameworks and is supporting their mainstreaming and adoption in more than 160 partner countries by helping to harmonize reporting and transparency systems.

UNEP as a finance lever. UNEP is a grant giving organization. In today's world, with a large focus on innovative and pilot investments, blended finance that brings in equity and debt partners, and is focused on scale, UNEP's expertise with results-driven grant financing is a sine qua non for low-cost catalytic capital that can unlock large investment volumes. By providing policy support, capacity building and advisory support, UNEP's grants act as the ultimate risk-taker that not only lowers the cost of lent capital but also absorbs, transfers and mitigates risks that are critical for most investors, especially in low income, fragile, disaster ridden and vulnerable countries. UNEP is preparing countries for blended finance, MDB engagement and carbon markets.

UNEP is a neutral convenor in fragile contexts. ODA is increasingly targeting fragile states, climate security hotspots and vulnerable neighbourhoods. UNEP's operations in these countries, where the engagement of other donors and contributors may be politically sensitive, can help expand investor footprint and build/sustain new markets.

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[12] Governing Council decision SSVII/1 of 15 February 2002 established the Voluntary Indicative Scale of Contributions (VISC) to broaden the funding base and to enhance the predictability of the core contributions to the Environment Fund.

[13] These contribute primarily to the Climate Action and Nature Action subprogrammes, with secondary links to Finance and Economic Transformations and Digital Transformations.

UNEP's value proposition in this shifting landscape makes it the partner of first choice for many partners.

UNEP and the Global Funds: The Global Funds including GEF and GCF constitute approximately half of UNEP's annual income and project portfolio. They play a critical role in countries' efforts in meeting their environmental commitments. As a founding partner of the GEF, UNEP brings a 30-year track record of collaboration and plays a catalytic role in supporting countries to meet their MEA obligations, promote synergies, translate science into action, and ensure policy coherence.

Box 1 lays out key pivots in the GEF and GCF strategies.

Box 1: Directions that the GEF and GCF are taking in their new strategies

GEF-9 is increasingly focused on:

- Integrated programming (food systems, cities, plastics, biodiversity-climate nexus)
- Upstream policy and enabling environments.
- Systems transformation (away from projects)
- Private sector leverage
- Nature positive economic transformation.

GCF is focusing on:

- Country ownership
- Direct access entities
- Programmatic approaches
- Climate adaptation scale up
- Private sector mobilization
- Just transition and resilience.

Source: GEF and GCF replenishment documents.

UNEP's updated Resource Mobilization Strategy with an increased focus on country responsiveness, coordination and synergy, and leveraging resources from core and non-traditional partners to strengthen diversification of the organization's funding base[14] responds to these GEF and GCF directional changes in critical ways: UNEP's one impact framework responds to the need for integrated programming; in previous GEF cycles, UNEP has led or co-led more than ten integrated programmes.
UNEP will continue to demonstrate this leadership; UNEP's normative work at different scales and EMG 2.0 responds to the need for greater cohesion and consistency; and UNEP's critical value proposition as a risk taker/absorber, verifier and policy advisor, is essential for any innovative financial instrument, whether these are blended platforms, swaps or other results based financing instruments.

UNEP and the European Commission (EC): UNEP and the EC have had a strong institutional partnership with regular policy exchanges and political and strategic engagement for more than two decades. The EC is the third biggest earmarked contributor to UNEP and the MEA Secretariats programmatic cooperation with US$ 224 million during the 2021-2025 period. The new Annex to the EC-UNEP Memorandum of Understanding will guide joint actions in thematic areas to address the root causes and emerging challenges of environmental sustainability. UNEP is exploring cooperation in relevant thematic areas to inform sustainable investment choices, under the EU Global Gateway and Team Europe initiatives in the context of UNEP's normative mandate. UNEP's MTS 2026-2029 focuses precisely on this enabling architecture.

[14] JIU Recommendation: The Inspector suggests that UNEP management undertake an analysis to determine the most appropriate funding proportion from global fund mechanisms that would mitigate dependency risks for the organization. The expanded JIU report is available here for more info: IU/REP/2025/1 (para. 66, expanded report).

Furthermore, given UNEP's role in shaping environmental regulatory frameworks, building the capacities of environmental ministries, supporting the Nationally Determined Contributions (NDCs) under the Paris Agreement, biodiversity frameworks and chemical conventions as well as in environmental governance, UNEP can be a pre-investment risk reducer that provides the enabling environment for the Global Gateway while protecting EU's funds. Finally, an upscaled partnership between EC and UNEP will reduce investment risk, amplify environmental standards globally and unlock significantly larger capital flows at relatively low cost. With UNEP's one impact framework and its commitment to measured change, UNEP can demonstrate the credibility and robustness of EU's financing.

UNEP's engagement with the private sector: UNEP does not need to provide equity or debt capital to engage meaningfully with the private sector. Its engagement will remain aligned with UNEP's mandate and national priorities and will ensure that privately financed interventions do not become solely profit-driven, prioritize investors' financial returns, or fragment support through the selective pursuit of commercially attractive activities. Its comparative advantage lies in five areas:

First, UNEP will deploy its grant capital for upstream and system level change, not balance sheets. UNEP invests in environmental regulatory reform, standards and disclosures frameworks, national green taxonomies, environmental, social and governance (ESG) reporting alignment and building high integrity carbon market systems. In so doing, it lowers transaction costs and regulatory uncertainty, which is often more valuable than small catalytic capital injections.

Second, UNEP will provide advice and channel resources for strengthening policy frameworks. UNEP recognizes that some investments fail in developing countries because of policy risk and not because of financial structures or the attributes of capital stacking. UNEP can and will continue to engage in supporting climate law development, designing carbon pricing frameworks, developing biodiversity offset rules and establishing chemicals compliance systems and building robust measurement, reporting and verification (MRV) systems, that make projects bankable.

Third, UNEP's neutrality allows it to convene multilateral development banks, local small and medium-sized enterprises (SMEs), multinational firms and civil society. These convenings will leverage UNEP's technical know-how and allow it to provide solutions for subsequent scale up. Examples of such areas where UNEP has engaged in the past are electric vehicles, lead-phaseout; battery recycling; cooling installation and regenerative agricultural solutions, etc. In spearheading new and integrated solutions that balance environment, equity and economics, UNEP reduces coordination failure and builds new market opportunities for other investors to step in. Such engagements have been demonstrated by sustainable value chain roundtables, circular economy coalitions, nature-positive commodity platforms and methane reduction partnerships.

Fourth, UNEP will help lower the real cost of capital for developing countries. Given that the cost of capital is significantly higher in a large number of developing countries due to a skewed and, not infrequently, biased risk metric, UNEP's early engagement demonstrating success and supporting government in standards and regulations as appropriate, lowers the investment risk and therefore also the cost of capital.

Lastly, UNEP will support and sustain project pipelines drawing on established GEF, GCF and other funds, and hand these successful engagements off to development banks, provide them for blended finance facilities, private equity actors and commercial lenders. It will do this by supporting pre-feasibility work, structuring enabling policy reforms, developing sector roadmaps, standardizing project templates and aggregating small-scale opportunities. By using its impact measurement and data technologies it can help trigger transformational change in business practices, ensure credible and transparent results and impact, and mitigate green or blue washing.

V.2 Second, explore opportunities for funding from non-traditional funding partners.

Engage strongly with philanthropies: UNEP recognizes that many major environmental philanthropies aim to bring about systems change, build leverage with policy and support catalytic public and private capital while measuring global impact. UNEP can provide formal engagement with governments, double down on its reputation as a leader in the normative space, use its global convening authority and reach multilateral agencies. Philanthropic grants become globally scalable precisely because UNEP **–** always working at the request of Member States -- embeds these in national policy, global frameworks and multilateral agreements. With its focus on integrated policy packages and state of the art measurement frameworks, that are oriented towards systems change, UNEP is an excellent partner for many philanthropies. In the last five-year funding cycle 2021-2025, UNEP mobilized more than US$60 million in philanthropic funding and leveraged approximately US$6 in public funding for every US$1 invested by philanthropies, demonstrating a strong multiplier effect and a value proposition that is highly attractive to philanthropic partners.

UNEP is uniquely positioned to partner and co-create with established and emerging philanthropies that have a strong vision for transformational change. Philanthropies that seek systems change, policy leverage, catalytic public and private capital, and measurable global impact will find an excellent partner in UNEP. Through UNEP's formal engagement with governments, normative leadership, global convening authority and multilateral reach, UNEP helps translate philanthropic grants beyond project work into scalable impact by embedding them in national policies, global frameworks and multilateral agreements. To scale philanthropic engagement, UNEP is offering a partnership model built on trust, flexibility, reduced transaction costs and shared values, making it easier for both major philanthropies and smaller or thematic foundations to engage. UNEP's focus on integrated policy solutions, evidence-based advocacy, state-of-the-art measurement frameworks, youth engagement and compelling storytelling provides a strong platform for philanthropies seeking political momentum, public engagement and systems-level outcomes.

Engaging with blended finance: UNEP is not a lender in the blended finance **landscape**. **UNEP's comparative advantage lies in serving as a market architect, risk shaper and pipeline catalyst in support of Member State priorities.** Blended finance will always be complementary to grant-based and concessional public finance, which remain essential for LDCs, vulnerable countries and environmental priorities that do not generate commercial returns.

Within the blended finance value chain – from policy and project preparation to capital structuring, implementation and impact measurement, UNEP's offer **will focus on two pillars**:

- **On the policy side, UNEP reduces policy and regulatory risk**, often the largest barrier. By working on and delivering carbon pricing frameworks, biodiversity credit standards, circular economy regulation, environmental fiscal reforms and MRV systems, UNEP can take care of one of the largest barriers for blended finance participants (see Box 2).**On the project pipeline side,** UNEP recognises that blended platforms often fail because of weak project preparation, poor environmental compliance and lack of aggregation. In this context, UNEP will support Member States at their request to develop sector-specific investment roadmaps, support project pre-feasibility work on request, and work with Member States to aggregate small projects into programmes and portfolios. This will allow UNEP to support Member States in pipeline incubation, so that states can approach development finance institutions (DFIs) with tailor-made bankable projects.

Many blended platforms have a technical assistance component that is funded by grants (see Box 2). UNEP can serve as the technical assistance delivery partner, manage readiness facilities, provide environmental risk assessments and support transition planning. An example of the overall way in which UNEP engages with blended finance facilities is provided in Box 2.

Box 2: A simple example of how UNEP participates in a blended finance platform

- Multilateral Development Bank (MDB) or bilateral donor provides guarantee or first loss capital.
- Development finance institution (DFI) structures equity/debt.
- Private investors provide senior capital.
- UNEP serves as the scientific lead, provides upstream policy reform to align with national and international regulations, technical assistance and project pipelines, and contributes to the definition and implementation of monitoring, evaluating and reporting mechanism.
- *UNEP's examples include:* The Seed Capital Assistance Facility (SCAF) on clean energy; the Global Fund for Coral Reefs (GFCR), and Plastics Transition Investment Facility (PTIF)

V.3 Third, focus on key areas and build complementary partnerships across the United Nations and the multilateral space.

Member States expect international organisations such as the United Nations and its affiliates to work in close partnerships and implement global normative action at country level via the Resident Coordinator system and strong Country Teams. UNEP will continue its participation in the UN Joint Programming in countries where UNEP mobilized resources are a feasibility, as part of the UN Resident Coordinators' system and UN Country Team and be a partner to support national efforts to achieve the Sustainable Development Goals (SDGs) and to implement the UN Cooperation Framework. UNEP will focus on working with and in the least developed countries with the goal to seek resources in these priority countries for portfolio development[15].

Additionally, UNEP will continue its close engagement with the Adaptation Fund and will step up its engagement with the new Fund for Responding to Loss and Damage once it operationalizes. In the engagement with both Funds, UNEP will continue to support Member State developing their requests in close alignment with the overall programmatic goals of these Funds.

UNEP will strategically focus on stronger, complementary and synergetic partnerships with other UN system entities that can help deliver impacts to the last mile and help connect UNEP's environmental expertise, data and norms to the other dimensions of the 2030 Agenda for Sustainable Development as a UN with an integrated "offer" to serve Member States.

Vehicles such as the Multi Partner Trust Funds (MPTF), the Joint SDG Fund and the UN Funding Compact facilitate such collaboration. Since 2016, over $200 million has been allocated to UNEP across 45 different pooled funds in support of the SDGs. UNEP will assess the active portfolio, collect lessons learned and develop a more corporate wide strategy to intensify work through these Funds and others. It is to be noted that the MPTFs also facilitate receipt of funding from the private sector.

VI. Conclusion

In a rapidly shifting global landscape, UNEP's updated Resource Mobilization Strategy is both urgent and indispensable. Declining prioritization of environmental issues in the context of constrained financing and rising geopolitical and humanitarian pressures demand that UNEP adapt its systems to remain effective and impactful. The Medium-Term Strategy (2026–2029) provides a clear vision for advancing climate stability, ecosystem resilience, and a pollution-free planet, but achieving these goals requires robust and diversified resourcing.

Core contributions, to the Environment Fund in particular, remain the backbone of UNEP's ability to deliver science-based, equitable, and efficient environmental action, while programmatic funding offers a win-win by aligning national priorities with global environmental objectives. UNEP's strategic pivot ensures that every contribution delivers maximum value for money. By focusing on implementation, measurable impact, and stronger partnerships, UNEP positions itself as a trusted impact agency that is capable of turning science into policy, championing leadership for the environment, reaching the most vulnerable, and delivering system-wide change. By strengthening partnerships, expanding flexible funding, and engaging non-traditional actors such as philanthropies and blended finance platforms, UNEP multiplies the value of each dollar invested.

Investing in UNEP today means investing in a healthier, more resilient planet and in solutions that generate lasting benefits for people and the planet, today and for future generations.

[15] Linked to Non-subprogramme indicator NS3.1. in the UNEP POW 2026-2027.