

# Danish support to the UNEP Pollution Fund

## Key results:

The Pollution Fund contributes to the achievement of the following UNEP medium-term strategy (MTS) objectives:

- Reduced pollution in air, soil and water and enhanced environmental quality and health for people and planet
- Reduced exposure of people and planet to harmful chemicals and pollution
- Enhanced sound chemicals and waste management capacity and leadership (incl. policies)
- Improved waste management, incl. circular processes, secondary raw material recovery, and reduced open burning and dump sites
- Reduced release of pollutants to air, water, soil, and oceans

## Justification for support:

- Contributes to “a just, sustainable, and green transition”, promoting “green synergies” with health and job creation and adoption of integrated green approaches – thus aligning with Denmark’s Strategy for Development Cooperation 2025
- Pollution creates unequal pressures with health consequences for women and vulnerable groups. Pollution action increases society’s productivity (e.g. by reducing the disease burden), thus contributing to reducing poverty and hunger
- Denmark has considerable expertise in SCP and there is scope for synergy with SCP-related SSCs
- Globally, pollution control is the least funded leg of the triple planetary crisis, falling far behind climate change and biodiversity
- The multi-donor Pollution Fund facilitates a more strategic engagement in UNEP’s key priorities compared to project support, enhancing effectiveness and reducing transaction costs

## Major risks and challenges:

The Pollution Fund supports a diverse range of projects in different geographical contexts, so a detailed risk matrix with mitigating actions has not been elaborated at the fund level. Each supported project will have a full risk management matrix. UNEP has strong capacity vis-à-vis environmental and social safeguards and the principles of free prior and informed consent. General risks of wider relevance have been identified for the Pollution Fund: political instability and illegal trade activity, failure to adopt an ambitious and comprehensive global framework for chemicals and waste, as well as insufficient political commitment.

<b>File No.</b>	25/18799			
<b>Country</b>	Global			
<b>Responsible Unit</b>	KLIMA + MoE			
<b>Sector</b>	Environment and sustainable production and consumption			
<b>Partner</b>	UNEP			
	<i>DKK million</i>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Commitment</b>	20	-	-	20
<b>Projected disbursement</b>	19.5	-	0.5	20
<b>Duration</b>	1 November 2025 – 31 December 2027			
<b>Previous grants</b>	DK-UNEP coop. prog. on SCP (10YFP + InTex) in 2023 and 2024 + DK annual core funding for UNEP + UNEP DHI and UNEP Copenhagen Climate Centre			
<b>Finance Act code</b>	06.34.01.75			
<b>Head of unit</b>	Mette Nørgaard Dissing-Spandet			
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## Relevant SDGs

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

## Objectives:

Significant progress made towards a pollution-free planet by reducing pollution and enhancing environmental quality and health for people and planet), with the strategic objective of reducing pollution in air, soil and water and enhancing environmental quality and health for people and planet. The expected 2029 medium-term impact is reduced exposure of people and planet to harmful chemicals and pollution.

## Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
<b>Indicate 0, 50% or 100%</b>	0%	0%	0%	100%
<b>Total green budget (DKK)</b>	0	0	0	20m

## Justification for choice of partner:

UNEP is the designated agency for leading and coordinating the UN’s environmental engagement, incl. for SCP (e.g. 10YFP). UNEP convenes the Intergovernmental Negotiating Committee on Plastic Pollution and supports the negotiation process towards a Plastic Pollution Convention. UNEP administers several MEA secretariats, including the Secretariat for the Basel, Rotterdam and Stockholm conventions on hazardous waste and chemicals and persistent organic pollutants. Denmark and UNEP have a history of cooperation through numerous grants and with Denmark being a key donor to two UNEP collaborative centres in Denmark. MoE has since 2023 supported UNEP vis-à-vis SCP.

## Summary:

The UNEP Pollution Fund is one of three multi-donor trust funds established to enable UNEP to strategically pursue its priorities and key objectives spelled out in its Mid-term Strategy (MTS) and Programme of Work (PoW). The Pollution Fund receives unearmarked or non-binding softly earmarked support from donors, addressing a major challenge for UNEP, namely its significant financial reliance on tightly earmarked project funding. The funding is allocated to projects using the following priorities and criteria: a) innovation and transformative change – initiatives with high potential for systemic impact, b) addressing critical funding gaps – underfunded strategic priorities that can deliver high-impact outcomes, c) scalability and sustainability – projects with proven replicability and multiplier effects, ensuring long-term impact; c) regional-level implementation – aligning with UN Development System reforms and reinforcing cooperation frameworks, and d) UNEP’s corporate priorities – strengthening programme management, operational efficiency, and advocacy efforts.

## Budget (engagement as defined in FMD):

Engagement 1 – the development project: Danish support to the UNEP Pollution Fund	DKK 19.5m
Engagement 2 – mid-term review	DKK 0.5m
<b>Total</b>	<b>DKK 20m</b>

**Ministry of Environment and Gender Equality of Denmark**

**Ministry of Foreign Affairs of Denmark**

# **Danish Support to the UNEP Pollution Fund**

**2025-2027**

## **Project Document**

**21 October 2025**

Ref: 25/18799

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## List of Acronyms

10YFP	10 Year Framework of Programmes on Sustainable Consumption and Production Patterns (UNEP)
AMG	Aid Management Guidelines (MFA)
BoA	Board of Auditors (UN)
BSC	Budget Steering Committee (UNEP)
CSD	Corporate Services Division (UNEP)
CPR	Committee of Permanent Representatives (UNEA)
CTCN	Climate Technology Centre and Network
DAC	Development Assistance Committee (OECD)
DKK	Danish Kroner
ESSF	Environmental and Social Sustainability Framework
FAQ	Frequently Asked Questions
HRBA	Human Rights-based Approach
INC	Intergovernmental Negotiating Committee on Plastic Pollution
InTex	Textile Initiative (UNEP)
KLIMA	Green Diplomacy and Climate Unit (MFA)
LNOB	Leave No One Behind
MFA	Ministry of Foreign Affairs (Denmark)
MoE	Ministry of Environment and Gender Equality (Denmark)
MOPAN	Multilateral Organisation Performance Assessment Network
MTS	Medium-Term Strategy (UNEP)
OECD	Organisation for Economic Co-operation and Development
PCP	Programme Coordination Project (UNEP)
PoW	Programme of Work (UNEP)
PPD	Policy and Programme Division (UNEP)
PPR	Programme Performance Report (UNEP)
PSC	Programme Support Cost (UNEP)
QBR	Quarterly Business Review (UNEP)
SCP	Sustainable Consumption and Production
SDG	Sustainable Development Goal
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure (UNEP)
SSC	Strategic Sector Cooperation
UN	United Nations
UNEA	United Nations Environment Assembly
UNEP	United Nations Environment Programme
UNEP-CCC	UNEP Copenhagen Climate Centre
UNGA	United Nations General Assembly
USD	United States Dollars

# 1 Introduction

The present project document outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning the Danish Support to the UNEP Pollution Fund, as agreed between the parties: the United Nations Environment Programme (UNEP) and the Green Diplomacy and Climate (KLIMA) Department of the Ministry of Foreign Affairs of Denmark (MFA) in collaboration with The Danish Ministry of Environment And Gender Equality. The project document is an annex to the legal bilateral agreement with UNEP and constitutes an integral part hereof together with the documentation specified below.

“The Documentation” refers to the partner documentation for the supported intervention, which includes:

- UNEP’s Medium-Term Strategy (MTS) for 2022-2025
- UNEP’s MTS 2026-2029 (once approved)
- UNEP’s Programme of Work and Budget (PoW) for 2022-2025
- UNEP’s PoW 2026-2027 (once approved)
- Operations Manual for the Thematic Funds for Climate Stability, Living in Harmony with Nature, and Towards a Pollution-Free Planet
- Governance Guide (external version) for the Thematic Funds for Climate Stability, Living in Harmony with Nature, and Towards a Pollution-Free Planet
- *Once available: Standard Operating Procedure (SOP) for Financial Management of the Planetary Funds*

## 2 Context, strategic considerations, rationale and justification

### 2.1 Context

Environmental degradation is increasingly evident across the globe. The interconnected crises of climate change, biodiversity loss and pollution of our vulnerable environment exacerbate and reinforce each other, creating poverty, hunger, food insecurity, and a breeding ground for existing and new diseases. This in particular affects developing countries, which have insufficient financial and institutional capacity to effectively adapt to climate change, protect ecosystems, enforce environmental regulations, and invest in promoting environmentally sustainable consumption and production patterns.

Without urgent and coordinated efforts, the climate, biodiversity and pollution triple planetary crisis will continue to undermine the livelihoods and well-being of populations in developing countries, especially among the poor and most vulnerable. Unsustainable economic models, such as the linear “take-make-waste” approach and the short-sighted “grow now, clean-up later” model, have thrived at the expense of nature and communities’ well-being. An example is the current business model of the textile sector, which is anchored in an aspirational narrative of newness, immediacy and disposability, resulting in mass overproduction, overconsumption and waste. Every second, a garbage truck full of clothing is incinerated or sent to landfills around the world. Clothing production doubled from 2000 to 2015, while the duration of garment use decreased 36 pct. Consumption of textile products is mainly in the global north, whereas the production and related pollution take place in developing countries and large quantities of textile waste are exported from the North to the South.

Another example of the scale of the challenge is plastic pollution, with micro-plastic found even in the most remote part of the world and in the tissue of people and animals, large “islands” of plastic in the oceans, and the accumulation of both plastic and textile waste causing a range of major challenging in urban and peri-urban areas in developing countries, such as water pollution and disruption of hydrological flows leading to floods and contributing the spread of water-borne diseases. These models pose serious obstacles to achieving the targets set out in the 2030 Agenda for Sustainable Development and Multilateral Environmental Agreements, and to ensuring that no-one is left behind.

92% of pollution-related deaths occur in low- and middle-income countries, and globally, disease caused by pollution is most prevalent among minorities and marginalised groups. The poor are often disproportionately affected by pollution, for example exposure to air and water pollution in urban slums with poor solid waste and wastewater management or to hazardous chemicals in low-paying factory jobs

with insufficient access to protective equipment. In many developing countries, poor and marginalised communities are involved in waste collection and recycling, with no formal recognition and lack of protective equipment, and thus exposed to hazardous working conditions. Such workers often have limited choices for safer alternatives, lack access to health care, and are hardly hit economically when they lose working days due to pollution-related sicknesses.

Pollution impacts people differently depending on gender, age, life stage and pre-existing health conditions. For instance, women and girls are particularly affected by toxic exposure for biological reasons, including during pregnancy, as well as due to gendered expectations that increase their exposure to certain pollutants, e.g. chemicals in cleaning products, or indoor air pollution from cooking.

Children are particularly vulnerable to environmental hazards because of their bodies being under development, immature immune systems, and higher intake of air, water and food relative to their size. From pregnancy through adolescence, children go through sensitive periods where exposure to pollution, toxic chemicals, or climate-related threats can cause lasting physical and cognitive harm.

The impacts of pollution also impair the enjoyment of human rights. A clean, pollution-free environment is at the core of realising the human right to a clean, healthy and sustainable environment, recognised by United Nations General Assembly (UNGA) Resolution 76/300 and the links are widely recognised in reports and activities of the Special Rapporteur on Human Rights and the Environment and the Special rapporteur on Toxics and Human Rights. Pollution disproportionately affects persons, groups and peoples in vulnerable situations reflecting both historical and ongoing discrimination, racism and power imbalances that have given rise to powerful social movements for environmental justice. A human rights-based approach can empower individuals and communities to demand action and can help hold those responsible for pollution legally accountable.

Overall, the impacts of pollution are very costly for the global economy and for individual countries; according to the World Bank, the health damages caused by outdoor air pollution are estimated at USD six trillion a year, equivalent to 4.6 pct. of the global GDP, with the toll being highest in middle-income countries; thus, preventing pollution will lead to significant economic gains. Transitioning to circular economy with more focus on product design, recycling, repairing, renting and remanufacturing, could also help create more jobs, and formalise an estimated 20 million jobs for people currently engaged informally in the waste sector.

Reversing the trend of rampant pollution requires systemic change, including bold action to tackle the root causes of environmental degradation and to make sustainable consumption and production (SCP) the global norm. Support for developing countries is especially critical, as they face significant barriers to implementing SCP patterns and practices. UNEP's MTS 2022-2025 and draft MTS 2026-2029 provide a roadmap for transformative actions, targeting the underlying drivers of climate change, biodiversity loss, and pollution, and guiding UNEP in fostering innovative and integrated solutions that align with the 2030 Agenda.

## 2.2 UNEP Pollution Fund

To help operationalise its MTS, UNEP launched three Planetary Funds (formerly named Thematic Funds) in 2022, focused respectively on: 1) climate stability, 2) living in harmony with nature and 3) towards a pollution free planet. These flexible and strategically aligned financing instruments serve as alternatives to traditionally earmarked funds, allowing UNEP to maximize impact while addressing the deep interlinkages among the three dimensions of the triple planetary crisis in line with its MTS 2022–2025 and draft MTS 2026-2029.

The UNEP Pollution Fund supports the MTS 2022-2025 objective *“towards a pollution free planet, where pollution is prevented and controlled and good environmental quality and improved health and well-being are ensured”* and will also support the MTS 2026-2029 objective, which in the draft MTS is framed as *“to achieve a pollution-free planet by reducing pollution and enhancing environmental quality and health for people and planet”* which aims to *“reduce pollution in air, soil and water and enhance environmental quality and health for people and planet”*. Its focus is



to 1) protect human and environmental health by building capacities and leadership on the sound management of chemicals and waste; 2) improve waste management, incl. through circular processes, safe recovery of secondary raw materials, and reduction of open burning and dump sites; and 3) reduce the release of pollutants into the air, water, soil and oceans.

**Examples of work supported by the Pollution Fund:** In 2023-2024, the Pollution Fund supported four sessions of the International Negotiating Committee working towards an international agreement on plastic pollution. Moreover, the Pollution Fund supported the gathering of evidence to inform national policymaking and strengthen regulatory frameworks vis-à-vis tackling air pollution. The Pollution Fund has also supported the operationalisation of a global cooperation network for knowledge-sharing on air pollution solutions. Annex 13 provides a complete list of projects supported by the Pollution Fund as of October 2025.

## 2.3 Textiles

The textile sector<sup>1</sup> is of global importance, providing high levels of employment, foreign exchange earnings, and products essential to human welfare. At the same time, the sector is characterized by unsustainable production and consumption patterns, contributing directly and significantly to the triple planetary crisis, as well as the interlinked issue of social injustice.

Anchored in the “chemicals and pollution action” subprogramme, the UNEP Textile Initiative also contributes to the finance and economic transformation subprogramme. It encompasses all of UNEP’s work on textiles and provides strategic leadership and encourages sector-wide collaboration to accelerate a just transition towards a sustainable and circular textile value chain. UNEP’s work includes supporting and informing governments, such as through its global textile policy dialogue, and assisting industry, particularly small and medium enterprises (SMEs) in developing countries, in shifting towards circular business models, scaling the use of industry standards for circularity, eliminating hazardous chemicals, while adopting a lifecycle approach and addressing overproduction and overconsumption to redefine the fashion industry’s economic model. Denmark is supporting the implementation of the UNEP Textiles Initiative in India and Indonesia, and through this Agreement intends to strengthen its support to UNEP’s textiles work to help shift the textiles sector to circularity, prioritising global discussions for harmonized approaches, while strengthening the ability of developing countries to produce more sustainably while remaining competitive. A preference for the country work is to prioritise countries where Denmark engages in [Strategic Sector Cooperation \(SSC\)](#).

## 2.4 Plastic negotiations/agreement

The rapidly increasing levels of plastic pollution represent a serious global environmental issue that negatively impacts the environmental, social, economic and health dimensions of sustainable development. It is estimated that humanity consumed over 500 million tonnes of plastics and generated 400 million tonnes of plastic waste in 2024. Under a business-as-usual scenario and in the absence of urgent action and necessary interventions, global plastic waste could almost triple, reaching around 1.2 billion tonnes annually by 2060. However, there is still not a multilateral environmental agreement (MEA) legally committing the international community to address this burgeoning challenge.

The Secretariat for the Intergovernmental Negotiating Committee on Plastic Pollution, hosted by UNEP, leads the work on developing an international legally binding instrument on plastic pollution, including in the marine environment. A third part of the fifth session of the Intergovernmental Negotiating Committee (INC-5.3) is yet to be scheduled.

## 2.5 Rationale and justification

The support is aligned with Denmark’s new Strategy for Development Cooperation 2025, focusing on the “*just, sustainable, and green transition*” prioritised focus area. Specifically, it contributes to the Danish objective of promoting “*green synergies*” with health and job creation and inspiring other countries to adopt integrated

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<sup>1</sup> The textile sector in the context of UNEP refers to the full value chain from the production of the fibres to consumption and end use. (see Appendix 1)

green approaches, with a specific focus on SCP and pollution control. By contributing to the Pollution Fund instead of a general core contribution to UNEP, the Danish contribution will specifically address pollution and promote SCP.

United Nations (UN) agencies play an important role in Denmark's development policy priorities and supporting the UNEP Pollution Fund emphasises the Danish commitment to "*a reformed multilateral cooperation*" and commitment to the UN. The provision of flexible core support for the UNEP Pollution Fund as opposed to earmarked project funding, strengthens UNEP's ability to strategically plan and execute its engagement in SCP more broadly, thereby aligning with the *Paris Declaration on Aid Effectiveness*, addressing the challenge UNEP faces with "*limited flexibility of its resource base*" with the bulk of funding being earmarked for specific projects and unearmarked financing being uneven and in some cases declining and alignment of donor funding with UNEP's priorities being challenging (2021 MOPAN assessment). Currently, 80 pct. of UNEP's financing is tightly earmarked for specific projects or countries.

The support is aligned with the *Danish Organisation Strategy for UNEP 2022-2025*, prioritising SCP where Denmark will support UNEP's work on SCP, including promoting reduced waste and pollution, sound management of chemicals and waste, improved resource efficiency, and overall decoupling between economic growth and environmental impact; and contribute actively to the work on governance of marine litter and microplastics.

Danish support for the Pollution Fund contributes towards poverty reduction by promoting decent/clean jobs and reducing pollution-related health hazards to which the poor, including women, children and marginalised groups, are disproportionately exposed. It thereby also contributes to "*the right to a healthy environment*". The soft earmarking of Danish support to UNEP's textile work will in particular *benefit women* (and children), who constitute the bulk of workers in the textile industry.

Moreover, the support is also aligned with the Ministry of Environment and Gender Equality's focus on supporting SDG 12 (responsible consumption and production).

Denmark is considered a leader in environmental management and circularity. Hence, Denmark in its support to the UNEP Pollution Fund can draw upon *Danish competencies and solutions*. For example, based on the climate and environmental impact from the textiles sector from consumption and production, the Ministry of Environment and Gender Equality has launched a voluntary sectoral cooperation in Denmark on industry standards including that all textiles from Danish companies must contain 40 pct. recycled textiles by 2030, and that the design of fashion and clothing must promote re-cycling and promotion of reused clothes.<sup>2</sup> The cooperation is based on a partnership and a joint steering committee with companies involved in the textiles and fashion sector has been set up. Another cooperation from which experiences can be drawn is the 2022-2024 Nordic Textile Collaboration, which supported the transition in the Nordic countries towards a circular textile economy.<sup>3</sup>

## 2.6 Strategic considerations

**Official Development Assistance (ODA) eligibility:** OECD-DAC has assigned a 100 pct. ODA-eligibility coefficient for unearmarked core contributions for UNEP to the Environment Fund. While the Pollution Fund is complementary to the Environment Fund, both are guided by, and support the implementation of, UNEP's MTS and PoW. As such, there is no need to earmark the Danish support for specific countries, projects, or activity types – nor is it possible to do so within the rules and regulations governing the Pollution Fund as a multi-donor funding mechanism.

**Soft earmarking for the UNEP Textile Initiative and the plastic pollution negotiation process:** The Danish support will be subject to a non-binding soft earmarking, with a preference for a) the Textile Initiative (building on earlier Danish support), and b) supporting the negotiation process towards a Plastic Pollution Convention. While non-binding, Denmark will in its dialogue with UNEP follow up on the Pollution Fund's use for textiles and plastic pollution negotiations and encourage that the Pollution Fund

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<sup>2</sup> <https://mst.dk/affald-jord/affald/affaldsfraktioner/tekstil/frivilligt-sektorsamarbejde-om-tekstiler/>

<sup>3</sup> <https://mst.dk/affald-jord/affald/affaldsfraktioner/tekstil/the-nordic-textile-collaboration/>



prioritises these areas. As of June 2025, the UNEP Textile Initiative has received USD 709,000 from the UNEP Pollution Fund.

**Scope for Danish influence:** Denmark will become one of the main donors to the Pollution Fund. As of June 2025, UNEP has mobilised USD 8,805,578 (approx. DKK 57.8 million, see annex 5) for the Pollution Fund, mainly from Norway. Hence, the Danish contribution of DKK 19.5 million (approx. USD 3 million) to the Pollution Fund will significantly increase the size of the Pollution Fund, making Denmark the second-largest contributor. This will give Denmark considerable leverage in dialogue related to the UNEP Pollution Fund, both with UNEP and in the UNEA. Denmark and Norway are like-minded donors with a tradition of coordination and cooperation, and the joint support for the Pollution Fund will give further leverage for coordinated Nordic positions. It is hoped that Denmark and Norway can inspire other donors to step up and channel funding through the Pollution Fund (and the other UNEP Planetary Funds). In addition to the Norwegian support for all three Planetary funds, Belgium has contributed with considerable funding for the UNEP Nature Fund and Finland is the largest donor to the UNEP Climate Fund. Hence, most of the support for the Planetary Funds comes from likeminded Nordic countries and EU Member States, thus contributing to Nordic and EU visibility and leverage at the UNEA; and the Danish contribution will further enhance this presence.

**Danish priorities for the engagement in the UNEP Pollution Fund:** The MoE/Denmark will through bilateral dialogue with UNEP and in the UNEA advocate for the following priorities:

- Draw attention to the soft earmarking of the Danish support for the Pollution Fund and encourage UNEP to allocate Pollution Fund resources for a) the UNEP Textile Initiative and b) support for the negotiation process towards a Plastic Pollution Treaty.
- Encourage dialogue, coordination and cooperation between UNEP initiatives and Danish SSCs on SCP (incl. textiles), e.g. in India and Indonesia.
- Create awareness in UNEP and among UNEA Member States of Danish solutions and experiences vis-à-vis promoting SCP, e.g. in the textile sector.
- Encourage the formulation of more specific and achievable objectives, outcomes and targets for the Pollution Fund – and the Pollution Fund’s expected contributions towards the overall MTS/PoW objectives, outcomes and targets related to pollution.
- Encourage more detailed reporting on the results achieved by the Pollution Fund and the projects/initiatives it funds.
- Encourage the development of a more comprehensive risk matrix for the Pollution Fund
- Encourage other UNEA Member States to support UNEP Pollution Fund, as a means to address the flexibility challenge faced by UNEP and the mismatch between ear-marked funding and UNEP priorities, highlighting that channelling support through the three UNEP Planetary Funds will help UNEP becoming more effective and facilitate strategic planning and implementation.
- Promote alliances with like-minded UNEA Member States vis-à-vis establishing an MEA on plastic pollution.

**Assessment of the project vis-à-vis OECD-DAC criteria:** The Pollution Fund enables UNEP to engage more strategically in pursuing and achieving the targets in the MTS and PoW, while at the same time reducing transaction costs. The longer-term nature of the Pollution Fund is conducive for continuity and a sustained engagement (see annex 10 for an assessment of each OECD-DAC criterion).

**Assessment of Santiago Network According to Danida AMG Standard Questions:** The AMG standard questions have guided the elaboration of the project document (see annex 11 for a response to each question)

**Application of Danida’s how-to notes:** The support for the UNEP Pollution Fund responds to several priorities and approaches outlined in the how-to notes. The Pollution Fund addresses the environment part of the how-to note on *Climate Adaptation, Nature and Environment*, in particular vis-à-vis the green transition and employment, wastewater management, and institutional capacities. Furthermore, it contributes to certain aspects of the how-to notes on Job Creation and Sustainable Growth, Fighting

Poverty and Inequality, Energy Transition and Emission Reductions in Developing Countries, and Human Rights and Democracy (see annex 12 for a detailed assessment of the Pollution Fund's responsiveness to the how-to notes).

## 2.7 Links to other Danish engagements

Denmark has over the years supported UNEP through several contributions. The allocation of Danish ODA managed by the MoE supported UNEP's 10 Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP) Secretariat with DKK 8 million for capacity development in relation to SCP in developing countries and UNEP's Textile Initiative with DKK 12 million to accelerate the transition of the Indian and Indonesian textile sector towards circularity (InTex India and InTex Indonesia) in 2023 and again with similar amounts in 2024. Moreover, Denmark supports the UNEP-DHI Partnership – Centre on Water and Environment, UNEP Copenhagen Climate Centre (UNEP-CCC), the Climate Technology Centre and Network (CTCN), and the Multilateral Fund for the Implementation of the Montreal Protocol. For the last five years, Denmark has contributed DKK 50 million annually as core voluntary contribution to the Environment Fund, i.e. as core funding for UNEP.

The Danish Environmental Protection Agency (EPA) under the MoE is engaged in strategic sector cooperation (SSC) focused on circular economy in Indonesia, Kenya, and Thailand. These engagements have enhanced strategic dialogue in synergy with UNEP's Textile Initiative at country level. A new circular economy SSC in Bangladesh focusing on textiles is under consideration and may be initiated. Moreover, the EPA has SSC cooperation in the water sector in China, Ethiopia, India, Kenya, Morocco, South Africa, and Ukraine.

## 2.8 Lessons learnt from previous support

Denmark has over the years provided voluntary support to several UNEP initiatives in various thematic areas, in addition to Denmark's contribution to UNEP as a member of the United Nations Environment Assembly. This support includes the long-term engagement as a lead donor to the UN UNEP-DHI Partnership and UNEP-CCC, which has overall been very satisfactory.

Since 2023, the MoE has cooperated with UNEP on SCP in relation to the Danish support for 10YFP and the Textile Initiative. This experience has been positive, with satisfactory results and good communication between the MoE and UNEP. Moreover, the Danish support for UNEP and Danish SSC related to circular economy (e.g. in Indonesia) has overall been coordinated with a good dialogue.

As the designated UN agency for environment, UNEP has a history of successfully facilitating the preparatory and negotiation processes that led to the adoption and ratification of MEAs (including by Denmark), including those focusing on pollution, i.e. the Basel, Rotterdam and Stockholm Conventions on hazardous waste and chemicals, the Minamata Convention on mercury, and the Vienna Convention and Montreal Protocol on ozone.

While Denmark has no prior experience with the relatively new Pollution Fund, it has been supported since its start by Norway, a like-minded donor. Moreover, Denmark has decades of experience with supporting numerous other UN multi-donor trust funds across a range of thematic areas, a model that has overall worked satisfactorily. The UN system has recognised the Planetary Funds as a best practice, with UNDP and other agencies benchmarking them as a model for softly earmarked funding mechanisms. A robust monitoring system of oversight is executed by UNEP's Corporate Service and Programme and Policy Division per mandate given by the Executive Director and the Budget Steering Committee, as the governing body.

## 2.9 Choice of implementing partners and aid modalities

The implementing agency is UNEP. Within the UN system, UNEP is the designated agency for leading and coordinating the UN's environmental engagement. Moreover, UNEP convenes the Intergovernmental Negotiating Committee (INC) on Plastic Pollution and supports the negotiation process towards a Plastic Pollution Convention through the Secretariat for the Intergovernmental Negotiating Committee on Plastic Pollution. UNEP also administers several MEA secretariats, including

the Secretariat for the Basel, Rotterdam and Stockholm conventions on hazardous waste and chemicals and persistent organic pollutants.

The Danish funding will be a contribution to the UNEP Pollution Fund. There will be a soft earmarking, encouraging that the Danish contribution is channelled to the UNEP Textile Initiative and the plastic pollution negotiation process.

### 3 Project objective

The objective of the Pollution Fund is the overall pollution-related objective spelled out in the MTS. In the MTS 2022-2025, the objective is: *“Significant progress made towards a pollution-free planet, where pollution is prevented and controlled and good environmental quality and improved health and well-being are ensured”*. The objective in the draft MTS 2026-2029 is rephrased as *“to achieve a pollution-free planet by reducing pollution and enhancing environmental quality and health for people and planet”*, which aims to *“reduce pollution in air, soil and water and enhance environmental quality and health for people and planet”*.

The three strategic outcomes are:

1. Science-based sound management of chemicals and waste throughout their lifecycle is increased.
2. Waste discharged into the environment has declined in volume
3. Environmental quality has improved through pollution prevention and action

The objectives for the two priority areas, for which the Danish support is softly earmarked for, are:

- UNEP Textile Initiative: *“To trigger systems change to accelerate the transition to a circular textile value chain”*
- Plastic pollution negotiation process: *“To protect human health and the environment from plastic pollution, including in the marine environment [based on a comprehensive approach that addresses the full life cycle of plastics]”<sup>4</sup>*

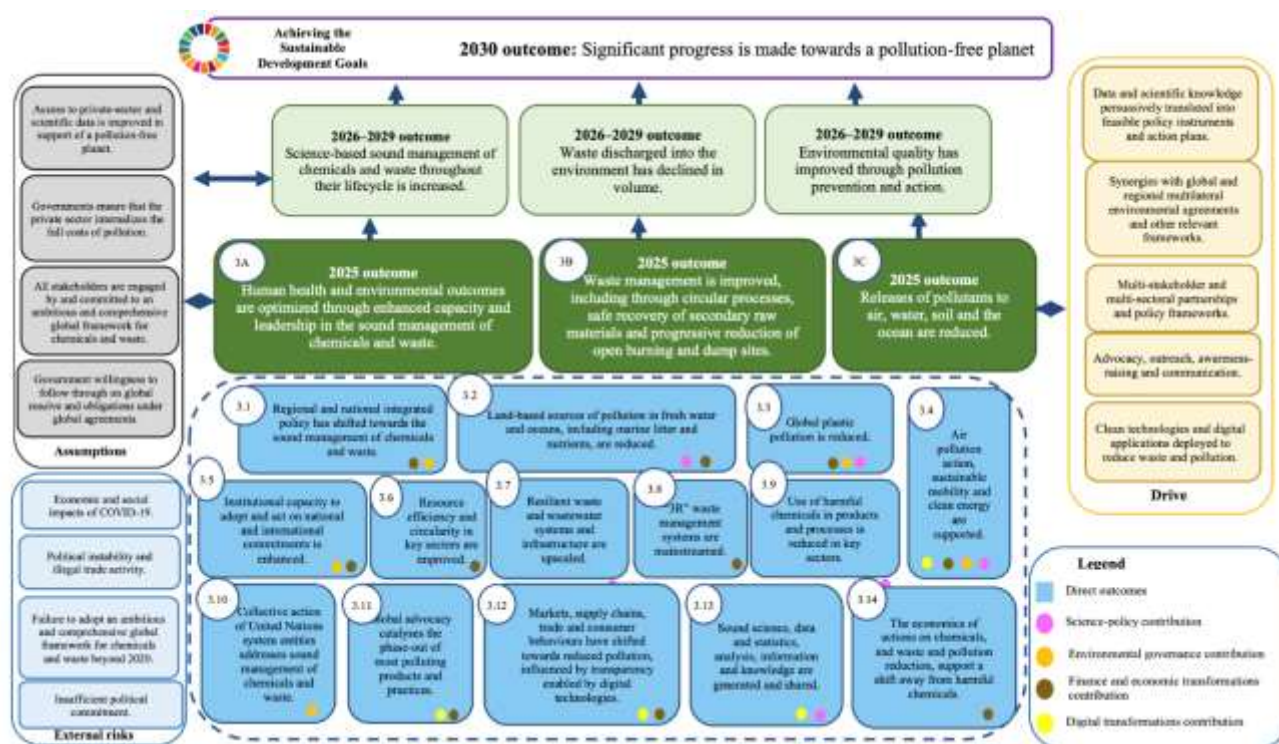
### 4 Theory of change and key assumptions

The Pollution Fund does not have a separate theory of change (ToC) but contributes to the delivery against the pollution-related outcomes and outputs in UNEP’s overall MTS/PoW ToC for pollution. The ToC (shown in the figure below) maps out a path for UNEP to its objective of moving towards a pollution free planet. It follows an integrated approach with a causal pathway that connects the 2025 outcomes of the chemicals and pollution subprogramme with UNEP’s vision for 2030, the decade of action and beyond. It also outlines assumptions vis-à-vis the conduciveness of the global context, the drivers that UNEP will use to create enabling framework, and the external risks that UNEP will take into account vis-à-vis achieving the intended results. The ToC may be subject to updating or revision in the PoW for 2026-2029 (the draft PoW 2026-2029 does not contain a pollution-specific ToC, only an overall impact framework for all three planetary crises). Moreover, each project receiving funding from the Pollution Fund will have a distinct, project-level, ToC, as per standard UNEP practice.

#### **Theory of Change 2022-2025 PoW (incl. assumptions, drivers, and risks)**

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<sup>4</sup> [https://wedocs.unep.org/bitstream/handle/20.500.11822/46710/Chairs\\_Text.pdf](https://wedocs.unep.org/bitstream/handle/20.500.11822/46710/Chairs_Text.pdf)



## 5 Summary of results framework

For results-based management, learning and reporting purposes Denmark will base the support on progress attained in the implementation of the project as described in the documentation. The Pollution Fund does not have a separate results framework but contributes to the delivery against the pollution-related outcomes and outputs in UNEP's overall MTF/PoW results framework for pollution. Denmark will advocate for the development of more specific and achievable objectives and outcomes for the Pollution Fund, within the context of the overall MTF/PoW results framework (see section 2.6). Progress will be measured through UNEP's monitoring framework focusing on the four indicators for the outcomes and intermediary impact under chemicals and pollution actions subprogramme as described in UNEP's MTS and PoW for 2022-2025 and, once approved, for 2026-2029. An overview of the objectives and outcomes and intermediate impact (incl. indicators and targets) are presented in Table 1 (for 2025) and Table 2 (for 2026-2027). The full results framework, including areas of engagement under each outcome is presented in Annex 6. For 2026-2027, the results framework may be subject to updating or revision in the finalised and approved MTS and PoW. Moreover, each project receiving funding from the Pollution Fund will have a distinct, project-level, results framework, as per standard UNEP practice. The results framework covers the entire UNEP PoW vis-à-vis the objective of “*significant progress made towards a pollution-free planet, where pollution is prevented and controlled and good environmental quality and improved health and well-being are ensured*” (draft 2026-2029 objective: “*to achieve a pollution-free planet by reducing pollution and enhancing environmental quality and health for people and planet*”), it is not limited to interventions implemented with support from the Pollution Fund.

**Table 1: Results framework for 2025 (MTS 2022-2025, PoW 2022-2025)**

Project	UNEP Pollution Fund		
Project Objective	Significant progress made towards a pollution-free planet, where pollution is prevented and controlled and good environmental quality and improved health and well-being are ensured		
Outcome 1	Human health and environmental outcomes are optimized through enhanced capacity and leadership in the sound management of chemicals and waste		
Outcome indicator 1.1	Number of Governments that, with UNEP support, are developing or implementing policies, strategies, legislation or action plans that promote sound chemicals and waste management and/or the implementation of multilateral environmental agreements and the existing framework on chemicals and waste		
Baseline	2021	169	Number of Governments developing or implementing relevant policies, strategies,



Target	2025	379	legislation or action plans with UNEP support <i>(measured by number of efforts: policies, strategies, legislations, hence a country can be counted more than once)</i>
Outcome 2		Waste management is improved, including through circular processes, safe recovery of secondary raw materials and progressive reduction of open burning and dump sites	
Outcome indicator 2.1		Number of Governments developing or implementing policies, strategies and mechanisms to prevent or reduce waste and ensure environmentally sound waste treatment or disposal, including in the context of disaster or conflict-related environmental emergencies, with UNEP support	
Baseline	2021	23	Number of Governments developing or implementing relevant policies, strategies and mechanisms, including in response to humanitarian and environmental emergencies, with UNEP support
Target	2025	47	
Outcome 3		Releases of pollutants to air, water, soil and the ocean are reduced	
Outcome indicator 3.1		Number of policy, regulatory, financial and technical measures developed with UNEP support to reduce pollution in air, water, soil and the ocean	
Baseline	2021	64	Number of air pollution, soil pollution and freshwater and marine pollution reduction measures developed with UNEP support, including gender and social measures
Target	2025	97	
Outcome indicator 3.2		Reduction in releases of pollutants to the environment achieved with UNEP support	
Baseline	2021	0	Fewer tons of harmful pollutants and waste, including those covered under multilateral environmental agreements
Target	2025	4,600	

**Table 2: Draft Results Framework for 2026-2027 (MTS 2026-2029, PoW 2026-2029)**

Project		UNEP Pollution Fund	
Strategic Objective		To achieve a pollution-free planet by reducing pollution and enhancing environmental quality and health for people and planet	
Project Objective		Reduce pollution in air, soil and water and enhance environmental quality and health for people and planet	
Medium-term Impact (2029)		Reduced exposure of people and planet to harmful chemicals and pollution	
Medium-term impact indicator 1		Reduction in releases of pollutants and waste to the environment	
Baseline	2025	3,298	Metric tonnes reduction of harmful pollutants and waste, including those covered under MEAs
Target	2029	+4,000	
Outcome indicator 1 (MTS-SP3.1)		Policy action for pollution prevention and control and sound chemicals and waste management	
Baseline	2025	50	Number of countries that have developed policies, laws or regulations that promote sound chemicals and waste management, waste prevention and reduction and pollution prevention and control, including implementation of MEAs and other global frameworks, targeting key sectors and issues: chemicals, waste management, air, water, soil or marine pollution, plastics or other industry sectors
Year 2	2026	+12	
Target	2027	+15	
Outcome indicator 2 (MTS-SP3.2)		Level of action by the private sector to tackle harmful chemicals, pollution and waste and implement safer alternatives and circular approaches	
Baseline	2025	10	Number of private sector entities that take up additional commitments or initiatives to improve chemicals and waste management and reduce pollution
Year 2	2026	+15	
Target	2027	+20	
Outcome indicator 3 (MTS-SP3.3)		Action plans or measures advancing positive outcomes for environment and health	
Baseline	2025	6	Number of intersectoral strategies or action plans or measures that address the environmental dimensions of antimicrobial resistance or other environment and health nexus issues
Year 2	2026	+4	
Target	2027	+3	
Baseline	2025	155	Number of strategies, action plans, initiatives, measures or technical interventions for pollution prevention and control and chemicals and waste management
Year 2	2026	+45	
Target	2027	+50	

## 6 Inputs/budget

There is no predefined annual budget for the UNEP Pollution Fund, as a) the available resources are defined by the ability to mobilise further donor contributions, and b) the Pollution Fund resources are allocated to individual programmes and projects, which in turn have detailed annual project budget (the

fund allocation process is described in section 7). As of June 2025, USD 8.8 million (approx. DKK 57.8 million) have been mobilised mainly from Norway, with smaller contributions from the Czech Republic, and the Philippines (see annex 5 for a detailed overview of the donor mobilisation. The Danish contribution will bring the total budget of the Pollution Fund to USD 11.8 million (DKK 77.8 million).

The UNEP Thematic Funds Operations Manual built a formula for equitable allocation, enabling strategic lift to the overall objectives. This formula specifies the percentages to be allocated for different types of projects, which are reflected in the budget for the Danish support, presented in table 3 (see annex 5 for a more detailed budget). DKK 19.5 million will be disbursed in 2025 to the account of the UNEP Pollution Fund, whereas DKK 0.5 million will not be transferred to UNEP but be retained by Denmark for an independent external mid-term review, if possible, conducted jointly with other donors or with UNEP's Evaluation Office (see section 7.1). UNEP charges a reduced programme support cost of ten pct. Any currency risks (exchange rate losses and gains) are to be borne by UNEP. UNEP is responsible for ensuring that the Danish funds are spent in compliance with the agreement and with due consideration to economy, efficiency and effectiveness in achieving the results intended and the details specified in the donor agreement that Denmark will sign with UNEP. In accordance with the Operations Manual, unspent balances are redistributed into other programmes and projects. As all contributions to the UNEP Pollution Fund, incl. the Danish contribution, are pooled contributions, UNEP cannot identify unspent balances and make refunds to donors, as specified in the Denmark-UNEP donor agreement along with specifications on earned interest.

**Table 3: Budget overview (Danish contribution)**

Budget item	DKK
Category 1: PCP (programme coordination projects) and project pipeline* (70 pct.)	12,409,091
Category 2: Critical gaps and emerging areas**	5,318,182
Category 3: Support to corporate projects and priorities*** (30 pct.)	
<b>Total allocation for projects</b>	<b>17,727,273</b>
<i>Ringfenced for foundational and enabling subprogrammes (15 pct.)</i>	<i>(2,659,091)</i>
PSC (programme support cost) (10 pct. overhead)	1,772,727
<b>Total funding transferred to UNEP</b>	<b>19,500,000</b>
Mid-term review, retained by MoE/MFA	500,000
<b>Total budget</b>	<b>20,000,000</b>
* Funding towards established projects for the implementation of the PoW ** Specific, targeted activities within the PoW e.g. towards priority areas that need a financial lift, emerging work on conflicts and disasters, UNEA resolutions addressing the pollution core priority *** activities that may be crosscutting in nature in support of the three core areas (pollution, nature, climate)	

## 7 Institutional and management arrangements

Being mechanisms for supporting the delivery of the MTS/PoW rather than a fund with separate objectives, the Planetary Funds, including the Pollution Fund, are governed by the overall structures of UNEP, e.g. with the United Nations Environment Assembly (UNEA) being the strategic oversight mechanism.

UNEP's **Executive Director** has the overall responsibility for maintaining and administering the Planetary Funds (including the Pollution Fund) in accordance with applicable rules and regulations of the United Nations and of the Environment Fund.

The **Budget Steering Committee** (BSC) is responsible for providing recommendations to the Executive Directors on the allocation of all UNEP's core and softly earmarked funds, including the three Planetary Funds, and ensuring that the fund utilisation is effectively and efficiently contributing to the implementation of UNEP's PoW. For the Planetary Funds, including the Pollution Fund, the BSC has the following roles and responsibilities:

- Monitor and review implementation rate and allocation of Planetary Funds
- Review and recommend changes to the Operational Manual for the Planetary Funds



- c) Define the modalities for contributions to the Funds, including establishing the threshold for funding contributions and staff/non staff proportions
- d) Provide guidance on the initial engagement of resource partners
- e) Review annual reports/dashboards on the use of the Planetary Funds for the Executive Director
- f) Approve financial reports for the Planetary Funds
- g) Review the biennial donor and thematic fund evaluation reports and adjust governance and operational modalities
- h) Oversee any other issues as required for the full integration, evolution, and growth of the Planetary Funds

The BSC is chaired by the Deputy Executive Director and includes representatives from Corporate Services Division and the Policy and Programme Division and an Executive Office Delegate. The Director of Programme and Policy Division is responsible for advising on programmatic priorities and implementation (pipeline), whereas the Director of Corporate Services advises on resource mobilization, contributions, feasibility of allocations, and other financial and administrative matters. Decision-making is by consensus. The BSC meets at least twice annually, and intersessional meetings may be organized as necessary.

The **Planetary Fund Secretariat**, which is embedded in UNEP's **Corporate Services Division (CSD)**, is responsible for management of the three Planetary Funds, including the Pollution Fund. The Secretariat to the Planetary Funds is incorporated in the broader secretariat setup managing all UNEP's corporate funds. The core functions are anchored in the Resource Mobilization and Donor Relations Unit of the Corporate Services Division (CSD) with support from the Programme and Budget Unit of the same Division, Policy and Programme Division and the Communications Division. The Directly Responsible Individual for the Planetary Funds is the **Head of Resource Mobilisation and Donor Relations Unit**. The Secretariat is run jointly by Resource Mobilisation and Donor Relations and Programme and Budget Unit and works closely with the **Policy and Programme Division (PPD)**, including on fund allocation, reporting and monitoring, as well as with the **technical divisions and offices** responsible for the implementation of projects and activities financed by the Planetary Funds. Box 1 provides an overview of the staffing of the Secretariat. The functions of the Secretariat include:

- Support the CSD Budget Unit, to manage the overall financial portfolio, including coordinating financial contribution, fund allocation, disbursement, and programming
- Promote and facilitate resource mobilization and partnerships
- Negotiate and oversee agreements with funding partners
- Prepare reports in cooperation with PPD and support monitoring and evaluation
- Design strategy and implement activities in cooperation with the Communications Division to market and provide visibility for the Planetary Funds
- Build capacity, awareness and buy-in of colleagues on the functionality, positioning and reporting for the Planetary Funds

#### **Box 1: Planetary Fund Secretariat staffing**

The **Resource Mobilization and Donor Relations Unit (CSD)**, acts as the overall coordinator and manager of the Planetary Funds:

- 1 P5 Senior Programme Management Officer – 15% staff time
- 1 P4 Programme Management Officer – 20% staff time
- 1 G7 Senior Budget and Finance Assistant – staff 20% time

The **Programme and Budget Unit (CSD)**, provides budgetary support for fund allocation and financial reporting:

- 1 P5 Senior Programme Management Officer – staff 5% time
- 1 P3 Finance and Budget Officer – 15% staff time
- 1 G7 Senior Finance and Budget Assistant – 20% staff time

The **Policy and Programme Division** determines the programmatic priorities and needs for the allocations from the Planetary Funds and supports results reporting:

- 1 P5 Senior Programme Management Officer – staff 5% time
- 1 P3 Programme Management Officer – 15% staff time

The **Communications Division** develops communications assets in support of the Planetary Funds, including appreciation of the funding partners, information sharing on public websites and social media, development of results narrative:

- 1 P4 Communications Officer – 20% staff time

**Rules and operational frameworks:** The Pollution Fund is established in accordance with the rules and regulations of the UN, the rules and regulations governing the Environment Fund of UNEP, the relevant provisions of the UN Secretary General’s bulletin ST/SGB/188 and ST/GB/2015/4 Administrative Instruction ST/AI/285, the authority of UNEP’s Executive Director to establish general trust funds under the rules of UNEP and all other relevant policies and procedures promulgated by the UN Secretary-General.

The overall governance framework for the Pollution Fund is established by the Governance Guide for the Planetary Funds, whereas the Operations Manual details implementation procedures. A Standard Operating Procedure (SOP) for Financial Management has been developed and pending final approval.

**Fund allocation:** The Pollution Fund is explicitly established to support the implementation of UNEP’s MTS/PoW. As such, the project selection and fund allocation process is fully internal in UNEP. Funding from the Pollution Fund can be allocated to projects through two processes:

1. Allocation to be made through the BSC, based on the project pipeline identified in the approved Programme Coordination Projects and the resources available (70 pct)
2. ‘Critical need’ allocations based on decisions made by the Executive Director to address critical issues and newly emerging areas (30 pct.)

All allocations are reviewed and adjusted to align with other funding mechanisms available to UNEP, such as the Regular Budget and the Environment Fund. Most of the funding is expected to be allocated for UNEP’s chemicals and pollution action thematic subprogramme, but 15 pct. are ring-fenced for UNEP’s four foundational and enabling subprogrammes: environmental governance (5 pct.), science-policy (5 pct.), green finance/finance and economic transformations (2.5 pct.), and digital transformation (2.5 pct.). This amount may be adjusted if these subprogrammes receive sufficient resources from other funding streams. The funding eligibility/prioritisation criteria and the allocation process are presented in Box 2. The funded projects can spend no more than 30 pct. of their respective allocations on staff costs (excluding consultants and volunteers). The Planetary Fund Secretariat is responsible for ringfencing necessary budgets for monitoring and reporting as well as for encouraging divisions and offices managing projects funded by the Pollution Fund to dedicate appropriate staff time to monitoring and reporting.

## Box 2: Allocation criteria and process

### Allocation prioritisation/eligibility criteria:

- Innovation and transformative change – supporting initiatives with high potential for systemic impact, in alignment with UNEP’s theory of change and strategic objectives
- Addressing critical funding gaps – directing resources to underfunded strategic priorities that can deliver synergistic and high-impact outcomes
- Scalability and sustainability – investing in projects with proven replicability and multiplier effects, ensuring long-term impact
- Regional-level implementation – aligning with UN Development System reforms, supporting regional and subregional priorities, and reinforcing cooperation frameworks
- Support for UNEP’s corporate priorities – strengthening programme management, operational efficiency, and advocacy efforts

**Allocation process:**

- 1) Division Directors in cooperation with Global Coordinators for the relevant subprogrammes identify and recommend priorities for funding
- 2) Upon receiving a statement of the available funding envelope from CSD, PPD recommends a project pipeline for allocation in line with the MTS, PoW, UNEA resolutions, and other UNEP priorities
- 3) The project pipeline is reviewed by the BSC, resulting in allocations being confirmed and disbursed by the CSD Budget Unit and the Planetary Fund Secretariat
- 4) For critical need allocations outside the pipeline, the BSC will submit a proposal to the Executive Director. Critical or time sensitive allocations can be made directly at the discretion of the Deputy Executive Director or Executive Director without receiving recommendations from BSC
- 5) The CSD Budget Unit allocates budgets to the respective offices
- 6) The CSD Budget Unit shares internally monthly updates on the status of allocations through its monthly dashboard
- 7) The Planetary Fund Secretariat monitors implementation, reporting and absorption rate of allocations

**Learning:** UNEP's Evaluation Office has developed highly structured approach and procedures, including a comprehensive toolbox, for evaluations and reviews – and for using evaluation and reviews for capturing lessons learnt and best practices at both the organisational and project levels. Moreover, the Planetary Fund Secretariat, will monitor progress and challenges at the fund level.

**Oversight from the Danish side:** The MoE is responsible for overseeing the Danish contribution. The MoE and UNEP will consult regularly on the progress on the overall status and progress of the Pollution Fund and the projects it funds. In particular, Pollution Fund planning and progress will be discussed specifically in annual MoE-UNEP meetings to be held in January. Moreover, the Pollution Fund will be discussed in the annual Danish bilateral consultations with UNEP, in the joint Nordic Consultation with UNEP, as well as in the UNEA context. These consultations will include issues related to Denmark's strategic and political priorities in the areas of SCP and plastic pollution, UNEP strategic direction and results, as well as challenges in relation to the management and operations of the Pollution Fund. MoE will review and follow-up on UNEP's annual corporate reports, the biennial reports on the Planetary Funds, and financial statements for the Pollution Fund. The MoE will keep the MFA informed on progress in project implementation based on the reports and financial statements.

### 7.1 Monitoring, review and evaluation

Monitoring and reporting occur at both the fund level and the individual project level. The Planetary Fund Secretariat is responsible for monitoring and reporting on the overall progress of the Pollution Fund and implementation rate, using UNEP's monitoring processes and tools, including relevant Umoja (the financial management system of the UN Secretariat, incl. UNEP) modules, the Quarterly Business Review (QBR), and programme performance processes. Quarterly dashboards are prepared by the Planetary Fund Secretariat and sent to the managers of the funded projects and to the BSC. The QBRs include the percentage of allocated funds under the Pollution Fund that has been utilised.

PPD, and the project managers of the technical divisions and offices monitor and report to Planetary Fund Secretariat on the progress of the individual projects funded by the Pollution Fund against the indicators and targets in their respective project results frameworks, which as per UNEP standard practice include relevant MTS/PoW indicators.

Based on the results framework and indicators in the MTS and PoW as well as SDG indicators, the Planetary Fund Secretariat coordinates the monitoring of the Planetary Funds and the elaboration of brief biennial narrative reports for the Planetary Funds. Moreover, the Secretariat prepares consolidated substantive reports for each Planetary Fund biennially, which draw on existing reporting and verified contributions from the divisions and offices managing the projects and their implementing partners. These reports are shared with the donors, whereas separate reports for individual donors will not be elaborated.

Mandatory programme performance reporting at PoW level consists of annual programme performance reports (PPRs), and quarterly reports of the Executive Director to the Committee of Permanent Representatives (CPR) of the UNEA and regular budget reporting to UN General Assembly in New York.

Such reporting is led by PPD with contributions from all divisions and offices. Dedicated sections on the status and results of Planetary Funds in the quarterly reports and the PPR section on resources. The PPR may also include an impact story and lessons learnt from the utilisation of the Planetary Funds.

As part of UNEP's statutory reporting, the Executive Director prepares annual accounts for the Pollution Funds to report to the UNEA and to the UN Board of Auditors (BoA). Copies of audited financial statements and BoA reports are made available to all donors.

The Planetary Funds are subject to UNEP's evaluation policy, which foresees at least one assessment of performance during each MTS cycle. The assessment will focus on:

- The efficiency and effectiveness of the governance mechanism for the Planetary Funds, including the Pollution Fund
- The extent to which the fund mechanism has been supported by i) the generation of a pipeline for allocation process; ii) a communication, outreach and marketing strategy; and iii) reporting
- The extent to which the funding allocations have prioritized innovation and transformative change and scalability of results and sustainability

Terms of Reference for the performance assessment will be developed by UNEP's Evaluation Office and approved by the Deputy Executive Director and the Executive Director. Consequently, the performance assessment report will be presented to UNEA's Committee of Permanent Representatives (CPR) and shared with all funding partners. A management response will be required from the BSC in the form of a set of actions to be taken to address the report's recommendations, as per UNEP's evaluation procedures.

Moreover, individual projects funded by the Pollution Fund may be selected for project evaluation, as per UNEP's rules and procedures for evaluation. Moreover, the divisions and offices managing the projects may commission independent project reviews, depending on the requirements of donors providing other fundings streams for individual the projects. UNEP's Evaluation Office has developed a highly structured approach, and manual and a comprehensive toolbox for evaluations and reviews, which is aligned with UNEP's Evaluation Policy (2022) and applied across UNEP (<https://www.unep.org/evaluation-office>).

The MoE and MFA shall have the right to carry out any technical or financial supervision mission that is considered necessary to monitor the implementation of the Pollution Fund. This includes a planned mid-term review in the second year of implementation and no later than six months prior to the ending of the project agreement, for which DKK 500,000 are retained by the MoE/MFA. The mid-term review may be conducted jointly with other funders and/or the performance assessment commissioned by the UNEP Evaluation Office, unless the MoE and MFA find there is reason to conduct it separately. In accordance with the Operations Manual, an overall evaluation of the Planetary Funds is foreseen for each MTS cycle.

After the end of the stipulated period (2025-2027) for the Danish support, the MoE and MFA reserve the right to carry out evaluations in accordance with this article.

## 8 Financial management, planning and reporting

The Danish support will be disbursed to UNEP in a single tranche of DKK 19.5 million in December 2025. The DKK 0.5 million retained by MoE/MFA for the mid-term review will be spent in 2027.

Both parties will strive for full alignment of the Danish support to the implementing partner's rules and procedures, while respecting sound international principles for financial management and reporting. Specifically, the Pollution Fund is managed in accordance with UN Rules and Regulations and adhere to all financial management-related rules and regulations of UNEP, which have been approved by the UN and UNEA Member States (including Denmark), as well as the International Public Sector Accounting Standards.

The fiduciary requirements for the Danish support are spelled out in the donor agreement that will be signed by Denmark and UNEP and adhere to Danish requirements as per the MFA's Financial Management Guidelines. The donor agreement will adhere to the general rules, regulations and fiduciary requirements that apply to UNEP.

The funds are received and managed in line with the applicable UN regulations and rules and UNEP's internal policies (including Delegation of Authority), using its standard legal instruments and within the required delegated authority for the receipt of the funds. Procurement will be in accordance with UNEP's rules and regulations. UNEP has set up a separate trust fund for the Pollution Fund. All funds received by UNEP for the Pollution Fund are pooled in the trust fund's account. The allocation of funds by the Pollution Fund is subject to approval by the BSC and the Executive Director (see section 7).

As part of UNEP's statutory reporting, the Executive Director prepares annual accounts of the Planetary Funds to report to the UNEA and to the UN Board of Auditors (BoA). The Pollution Fund is subject to UNEP's external and internal audit procedures. Copies of audited financial statements and BoA report are made available to all donors to the Planetary Funds.

All contributions made to the Pollution Fund are regarded as fully flexible and can be used for any of UNEP's programmatic or corporate priorities related to pollution. The soft earmarking to the UNEP Textile Initiative and support for the plastic pollution negotiation process is non-binding. The overall financial and technical reporting for the UNEP Pollution Fund will be submitted to all donors, including Denmark. Denmark will not require separate technical or financial reporting for the Danish support. Reporting will be done in accordance with the provisions stipulated in the donor agreement between Denmark and UNEP for the Pollution Fund:

- Biennial reports for the Planetary Funds – brief narrative reports based on the results framework and indicators in the MTS and PoW as well as SDG indicators, drawing on existing reporting and verified contributions from the divisions and offices managing the projects and their implementing partners.
- Annual programme performance reports (PPRs) – annual narrative reporting at PoW level (against PoW indicators), with dedicated sections on the status and results of Planetary Funds in the chapter on resources, may also include impact stories and/or lessons learnt from the Planetary Funds. The PPRs follow the calendar year and are normally issued in the second half of the following year.
- Quarterly reports to the Committee of Permanent Representatives (CPR) of the UNEA – overall narrative reports at the UNEP level with dedicated sections on the status and results of Planetary Funds in the quarterly reports and the PPR section on resources.
- Regular budget reporting to UN General Assembly – annual financial reporting at the UNEP level, which includes information on the financial status of the Planetary Funds.
- Annual accounts for UNEP (incl. the Pollution Fund) to UNEA and the UN Board of Auditors (BoA) – the annual UNEP accounts will be audited in accordance with UN procedures, copies of audited financial statements and the BoA reports are made available to all donors. The BoA reports are issued in July and made publicly available, usually in mid-October.
- Certified annual financial statements for the Pollution Fund, typically provided in end-March.

To allow for identifying and reprogramming of “unspent” balances, operational and financial closure dates for the budgets allocated to projects are set by the BSC. Typically, the timelines are one month for fund release to the projects and a one-year project implementation period. All non-committed funds shall be returned by the projects to the Pollution Fund no later than two years from the date of release, after which they will be re-released into the pool and will be reallocated to other projects.

As donor contributions are unearmarked and pooled, it is not possible to identify or refund unspent balances to the donors. Nor can grant expiry dates be specified for individual donor contributions. Any unused funds will be carried forward by the Pollution Fund for future allocations to projects. This will be reflected in the donor agreement between Denmark and UNEP along with specifications on earned interest.

## 9 Risk Management

UNEP's Operations and Risk Management Unit in coordination with the Planetary Fund Secretariat, leads on ensuring adequate risk management frameworks are applied for the Pollution Fund. The Pollution

Fund is monitored using the overall UNEP Enterprise Risk Management and Internal Controls Framework. The control framework covers the control environment, risk assessment, internal control activities, monitoring, and procedures for information sharing, and guides the financial management framework. Risks are assessed at multiple levels and plans of action are in place for addressing risks that are deemed significant or frequent. In addition to the risk assessment and treatment plans for any high risks identified, UNEP also undertakes annual reviews of internal controls as part of the UN Secretariat exercise and issuance of Statement of Internal Control. As found by the 2021 MOPAN assessment, UNEP has a sound operational model with appropriate policies, processes and procedures in place. UNEP follows the UN Secretariat's rules and regulations (fully adhering to international standards) and uses UN Secretariat administrative systems. Hence, the fiduciary risk is assessed as being low.

Moreover, UNEP has strong capacities vis-à-vis applying environmental and social safeguards and the principles of free prior and informed consent (FPIC). All projects adhere to UNEP's safeguards policies and procedures (see Annex 2).

Each UNEP project, including those supported by the Pollution Fund, has a full risk management matrix with mitigating measures and report on risks in their progress reports, following UNEP's rules and procedures. Considering that the Pollution Fund supports a diverse range of projects in different geographical contexts, a detailed risk matrix mitigation measures has not been elaborated at the fund level. Although the Pollution Fund's ToC mentions a few contextual risks of wider relevance (see below). Denmark will advocate for the development of a risk matrix with mitigation measures for the Pollution Fund (see section 2.6). From the Danish perspective, the following risks have been identified:

- Contextual risks:
  - o Political instability (identified in the ToC)
  - o Illegal trade activity (identified in the ToC)
  - o Failure to adopt an ambitious and comprehensive global framework for chemicals and waste beyond (identified in the ToC)
  - o Insufficient political commitment to address pollution (identified in the ToC)
  - o Geopolitical concerns and vested interests hamper efforts to tackle pollution at the global, regional and national levels
- Programmatic risks:
  - o Overambitious objectives and outcomes in MTS/PoW vis-à-vis what the Pollution Fund can realistically achieve
  - o Limited uptake by countries of environmental policies, institutional strengthening, technical capacities, and approaches promoted by UNEP with funding from the Pollution Fund
- Institutional risks:
  - o Reductions in core contributions and project funding to UNEP (with generally declining ODA), drive UNEP to use the Pollution Fund to fill institutional budget gaps rather than using the funds strategically to address bottlenecks vis-à-vis tackling Pollution
  - o The soft earmarking of Danish support to the Textile Initiative and the plastic pollution negotiation is not followed by UNEP

## 10 Closure

The UNEP Pollution Fund is established as a longer-term mechanism. Moreover, the Danish contribution is unearmarked and will remain with the Pollution Fund and there is no separate reporting for the Danish contribution (see section 8). As such, there will not be a specific closure procedure for the Danish support and thus no arrangements for operational closure for the Danish grant or completion reporting.

Moreover, since Denmark is one among other donors, the Pollution fund will continue to operate, albeit at a lower funding level, should Denmark decide not to provide additional grants for the Pollution Fund after the completion of the current grant.



As described in Section 8, the typical implementation period of the funded projects is one year. Each project will have its own sustainability strategy, which may include plans for fund mobilisation (from the Pollution Fund or other sources) for further phases.

## Annex 1: Context Analysis

### INTRODUCTION

This document provides a high-level, global analysis of the context in which the project in support of the UNEP Planetary Fund on Pollution is taking place. It is largely drawn from the situational analysis of the current MTS 2022-2025 and draft MTS 2026-2029 situation analysis. It addresses the sections of the context analysis template that are deemed relevant to the proposed contribution.

#### 1. Inclusive sustainable growth, climate change and environment

The MTS 2022-25 situation analysis indicates that the world is facing three major environmental crises: climate change, biodiversity loss and pollution. These are all largely driven by human activity and unsustainable patterns of consumption and production. Tackling these crises is critical to improving the health of the environment, as well as social and economic health. A healthy environment, healthy people and healthy economies are the foundation for achieving the Sustainable Development Goals.

Pollution, climate change, and biodiversity loss and ecosystem degradation are closely related and mutually reinforcing. Global chemical production capacity almost doubled between 2000 and 2017, an estimated 40,000 to 60,000 types of industrial chemicals were in commerce globally<sup>5</sup>. Pollution from excess nutrients through overuse or misuse of fertilizers, as well as insufficient municipal and industrial wastewater management is a [key driver of biodiversity loss](#), undermining ecosystem function and ecosystem services in soils, lakes, rivers, streams and coastal waters.

Marine plastics pollution has been steadily increasing over the last decades; humanity produces more than 400 million tonnes of **plastic** each year, much of which ends up in the environment. [Every day](#), the equivalent of 2,000 garbage trucks full of plastic are dumped into the world's oceans, rivers, and lakes. Plastic pollution can alter habitats and natural processes, reducing ecosystems' ability to adapt to climate change, directly affecting millions of people's livelihoods, food production capabilities and social well-being. The World Health Organization air quality guidelines are hardly attained, and air pollution leads to [over 7 million deaths every year](#), as estimated by WHO, and is responsible for a substantial amount of disability for those living with diseases caused by air pollution.

The draft [MTS 2026-29 situation analysis](#) confirms that pollution remains a global challenge, contributing to an estimated nine million deaths yearly, and further underscores the urgent need for waste prevention and circularity, considering the projected growth in waste.

The consumption and production of textiles have almost doubled from 2000 to 2015 (the global population in the same period grew from 6.1 billion to 7.4 billion people). It is estimated that producing 1 kg of textiles requires 0.58 kg of chemicals, many of which might be harmful to human health and the environment, damaging to natural ecosystems, while the textile value chain is estimated to account for 2-8 pct. of global GHG emissions.

Given the magnitude of the challenge, it is important to bring increased attention and investments to chemicals and pollution action, and to address the issue at source.

While addressing specific pollutants is important, comprehensive strategies are needed to tackle the use of chemicals, waste generation and pollution across economic sectors at large, grounded in the concept of circularity, sustainable consumption and production and more broadly on SDG12. Circularity provides a model to transform the current linear textile economic model towards a sustainable future. It requires governments, businesses, and consumers to look beyond the current "take, make and dispose" extractive industrial model and redefine growth, focusing on positive society-wide benefits. Circularity's underlying objective is that materials should be kept at their highest possible value as they move and are retained as long as possible within the textile value chain. This reduces and disconnects the use of natural resources

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<sup>5</sup> UNEP Global Chemicals Outlook II: [From Legacies to Innovative Solutions: Implementing the 2030 Agenda for Sustainable Development](#).

and environmental impacts from the economic activity of the textile industry, while continuing to enable improvements in human well-being.

For example, in the textiles sector, UNEP's circularity approach goes well beyond recycling fibres, and "reduce by design" and aims to reduce the amount of material, particularly raw material, and hazardous chemicals consumed during production and during use from the very beginning of product and service conceptualization. Production and consumption patterns as well as end-of-life processes of textile products are optimized via innovative product designs and business models, resulting in not only eliminated harmful impacts and waste but also improved social protections and business resilience. Based on UNEP's work three priority areas for action have been identified to deliver systems change in the textile value chain:

1. Shift consumption patterns, including scaling circular business models
2. Improve practices, including in sourcing of materials, and recycling
3. Invest in shared infrastructure, including renewable energy and new technologies

Circularity and sectoral work continue to be central to UNEP's work. As provided in the draft UNEP MTS 2026-29, a key strategy for transitioning to a pollution-free planet will be scaling up circular, zero-waste and pollution-free sectors and value chains, while demonstrate that achieving these results is possible while creating jobs and added business value.

## **2. Political economy and stakeholder analysis**

Many factors drive pollution and influence the ability of countries and other stakeholders to address its causes and mitigate its impacts. Countries face important gaps in the areas of knowledge (e.g. lack of capacity to monitor environmental quality, limited understanding of main sources and pathways), policy and implementation (e.g. lack of enabling policy environments, limited human and financial capacities, perverse economic incentives), technology and infrastructure (e.g. lack of sound waste management disposal facilities, lack of soft infrastructure to enable circular solutions), awareness and information (e.g. consumers are not aware of the potentially harmful content of the products they purchase; the costs associated with pollution are not fully known or communicated), and leadership (including limited investments from public and private actors) as highlighted in the Implementation Plan Towards a Pollution-Free Planet.

Pollution in high-impact sectors and a linear model instead of SCP patterns are the result of political and economic drivers. For example, the textile sector is characterized by price pressure and strong competition, which results in seeking manufacturing locations where labour wages are lowest and environment regulation weakest. Obstacles to SCP include prevailing poor industry environmental and social practices, the lack of financing and financial incentives to encourage SCP patterns, lack of well-designed and globally coordinated policy development and enforcement, and lack of advocacy coupled with a narrative of excess consumption.

Promoting transitions to reduce pollution in key sectors and value chains requires the engagement of governments, the private sector and other stakeholders, and more broadly a whole of society approach. While governments bring the political will and put in place the policy environment to enable change, change will not occur unless all the stakeholders engaged along value chains are part of it, and without the support of consumers and the public at large. The informal sector engaged in waste picking, recycling, mining and many other activities taking place in the targeted sectors are at the core of enabling change and in need of a just and fair transition.

Environmental multilateralism remains as crucial as ever. The world is at a pivotal stage in defining the future of key issues for the planet, through the implementation of pivotal UNEA Resolutions. Negotiations on a legally binding instrument to end plastic pollution have not yet resulted in an agreement. However, a new Intergovernmental Science-Policy Panel on Chemicals, Waste and Pollution (ISP-CWP) has been established in June 2025, as a result of negotiations held in implementation of UNEA Resolution 5/8. The ISP-CWP is being operationalised through an interim secretariat, supporting upcoming meetings and ultimately the development and implementation of the Panel's work programme. The Panel will

complement the work of two existing panels, IPCC and IPBES, focusing on climate and biodiversity. In 2023, countries and stakeholders came together to form a new Global Framework on Chemicals, a successor to the SAICM, with a vision of a planet free of harm from chemicals and waste for a safe, healthy and sustainable future. This Framework foresees the establishment of Implementation Programmes, including to foster industry engagement with a focus on textiles.

These global developments present unprecedented opportunities for implementing transformational change, including with a focus on specific sectors such as plastic and textiles, and their success will largely depend on continued political support and availability of sufficient financial resources, with an important role for the donor community to this end, and on the continued engagement of all relevant stakeholders.

The draft MTS 2026-29 indicates that transitioning to a pollution-free planet requires “scaling up circular, zero-waste and pollution-free sectors and value chains. UNEP will work with governments, the private sector and stakeholders to support key sectors and value chains to reduce pollution. Countries will be enabled to develop tailored solutions to address key sources of pollution and move towards circularity and sustainable consumption and production approaches aimed at minimizing waste generation; reducing pollutants in air, soil and water, including plastic pollution; and reducing exposures to harmful chemicals across the life cycle. These efforts will help reduce in-country and transboundary pollution and impacts on climate, land and nature, demonstrating that industry and governments can be competitive while environmental and health risks are reduced”. This includes a focus in various sectors, including the manufacturing sector, such as the textile value chain, where UNEP will support the reduction of air, water, marine and soil pollution, and other environmental footprints of products, through circularity and sustainable consumption and production approaches, green and sustainable chemistry, and safer and innovative alternatives at every stage of the life-cycle, with emphasis on the plastics, textiles, building materials and electronics value chains.

### **3. Poverty and inequality analysis**

Adverse impacts from environmental degradation, including from the unsound management of chemicals and waste and pollution, further compound existing poverty and inequality. According to UNEP's [Implementation Plan Towards a Pollution-Free Planet](#), *“gender, environment and development are thoroughly enmeshed: pollution not only has a negative impact on the environment, it also creates unequal pressures and health consequences for women and men, girls and boys and vulnerable groups to which they belong. Narrowing down gender gaps through gender-sensitive actions on pollution would increase society's productivity and reduce poverty and hunger appreciably”*.

Therefore, reducing pollution reduces the burden of disease, improves the quality of lives especially of women and children, and avoids income and productivity losses, and thus contributes to the achievement of the Sustainable Development Goals (SDGs).

In the textile sector, there are significant social and health impact hotspots in both the fibre production and processing phases. Research shows that a large proportion of textile workers in seven garment-exporting countries in Asia are paid below the minimum wage. Non-compliance rates in the sector range from 6.6 pct. of workers in Viet Nam to 53.3 pct. in the Philippines. In each of the countries, women are more likely than men to be paid below the minimum wage. There are significant health issues for workers from exposure to hazardous processes, which in turn can have a significant impact on society and GDP levels. Addressing these issues is complicated by the significant proportion of textile workers employed in the informal sector, in business structures that have developed due to governance and structural issues related to a very competitive business model. In the context of social and labour impact along the textile value chain, the ILO places particular importance on the need to address decent work, together with environmental impacts. Moving towards a circular production model comes with new potential for social and labour risks for example, for child labour in recycled material collection.

The socio-economic situation of people can influence the level of exposure to harmful chemicals and pollution, including due to a lack of access to alternative living and working conditions and the severity of impacts, for example due to the limited access to health care and mitigating measures. Health impacts affect the ability to work, thus leading to further poverty. The impacts of harmful chemicals and pollution

are different for different parts of the population, include due to gender, age, other factors. For example, some chemicals such as lead affect brain development in children, thus impacting their future.

Conversely, investing in sound chemicals and waste management and pollution prevention, can help with economic development and prosperity, by creating jobs and improved living conditions, for example through material collection, repair, upcycling, and recycling, as well as through innovation and upstream measures to prevent pollution at source. Establishing more sustainable consumption and production patterns at the local, national, regional and global levels is key to reducing inequality, creating jobs and protecting the environment. Similarly, living environments that are free from harmful chemicals and waste and where air, water and soil are of good quality, foster health and well-being and human development.

Prioritizing resource-intensive sectors for a shift to sustainable consumption and production could achieve very significant economic, social and environmental gains, often in short time frames. For example, the agriculture, food and beverage, and building and construction sectors accounted for nearly 70 pct. of the world's total material footprint in 2015, while being among the most intensive greenhouse-gas-emitting sectors (Life Cycle Initiative and others, 2018). Additionally, it is important to prioritize sectors that create wealth in many countries and help to reduce global poverty through the creation of job opportunities – for example, readymade garments are the mainstay of the Bangladeshi economy, accounting for 85 pct. of the country's total exports, 20 pct. of GDP, and directly employing four million workers with 12 million people dependent on the sector.<sup>6</sup> At the same time, the textile value chain is estimated to be responsible for between 2 and 8 pct. of global GHG emissions, as well as significant pollution, water extraction and biodiversity impacts, including 215 trillion litres of water consumed per year, and 9 pct. of annual microfibre pollution to oceans.<sup>7</sup> Transforming those sectors to reduce emissions and increase circularity will be crucial in the years to come. A transformation towards circular textile business models could generate US\$700 billion in economic value by 2030, while each 1 pct. increase in market share of circular business models is likely to reduce GHG emissions by 13 million tCO<sub>2</sub>e.

In the plastic sector, efforts to move away from business as usual will also present opportunities to address the impacts on the livelihoods of all those involved in the value chain. For example, many of the manual jobs required by the circular economy (collection, sorting, recycling, washing of reusables etc.) could have a direct contribution to poverty alleviation because these typically require lower skillsets.<sup>8</sup>

Enabling global action by all countries to improve sound management of chemicals and waste, informed by sound science-policy foundations, is very important so as communities all over the world can have safer, healthier and more prosperous lives.

#### **4. Fragility, Conflict and Resilience**

While the contribution is of a global nature, it may support action in countries where stakeholders face particular vulnerabilities. Context analyses will be carried out prior to specific interventions being put in place.

#### **5. Human Rights, Gender, Youth and applying a Human Rights Based Approach**

Gender equality and a rights-based approach are key to ending discrimination and ensuring progress towards environmental sustainability and yet this is part from being achieved. Inequality is not only reflected in a low level of political representation of women but is also enshrined in the economic sectors where change is needed. For example, women and children are often employed in informal sectors with higher exposure to risk, such as artisanal mining and waste collection.

A particular feature of the textile industry is the large numbers of women making up its workforce, especially in garment production. This is typical but not universal. Women make up 70 pct. of the 3 million people employed in garment factories in Bangladesh, while Mexico and Cambodia have even higher

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<sup>6</sup> [Female Bangladeshi garment workers bear the cost of Covid disruptions](#)

<sup>7</sup> [UNEP Textile Roadmap](#)

<sup>8</sup> [Turning off the Tap How the world can end plastic pollution and create a circular economy](#)

percentages, but in India the majority of garment workers are men.<sup>9</sup> The textile industry creates significant economic opportunities in developing countries, particularly export opportunities. However, the industry is beset by poor working conditions, including excessive working hours and low wages, with workers exposed to abusive practices, such as sexual harassment, and unsafe working conditions.

Economic practices that have seen textile manufacturing diverting to developing economies (such as the continual search for lower prices, flexibility and ever shorter lead times) are also responsible for the prevalence of women in the textile work force. This is because women are universally paid less than men, and the ability to pay women lower wages than men is seen as a way to enhance investment and increase profits, while keeping the cost of goods low for export.<sup>10</sup> At the same time, gender gaps are especially persistent when it comes to leadership roles. Gender gaps in access to land, education and financial inclusion also play a role. For example, in many countries, women will continue to be excluded from economic opportunities in cotton cultivation while laws preventing women from owning and/or inheriting land persist.

The use of hazardous chemicals and the ensuing water pollution further increase the potential for health impacts on workers and local communities, especially since much of textile production occurs in countries ill-equipped to deal with these pressures. Garment workers often suffer from musculoskeletal and respiratory problems, eye diseases and vision problems, skin diseases and stress as well as being at a high risk of accidents and injuries.<sup>11</sup> Certain chemicals of concern affect women differently than men, and women globally - as the main caretakers - run a higher risk of being exposed to chemicals as consumers (e.g. detergents). At the same time, female reproductive health is influenced by chemical exposures and there is increasing epidemiological evidence pointing to strong links between breast cancer and exposures to certain chemicals of concern.<sup>12</sup>

The efforts that will be undertaken through this contribution – including phasing out chemicals of concern to achieve circular, non-toxic textile production and consumption patterns - will consider this dimension.

This project will mainstream gender considerations in all activities to ensure that men and women equally have access to the capacity building, technical assistance, consultations and networks enabled through the project. At the same time, a risk identified is to consider who might become a ‘loser’ when transitioning from the linear to a more circular model (e.g. less jobs in certain polluting industries, demand for more higher skilled work). E.g. how this might affect women and men differently, given that in many countries, women’s access to higher education is still restricted, and how it can be mitigated has to be considered. At the same time, with a focus on skills development, this transition also brings great opportunities.

This project will also aim for gender parity in attendance of events/ workshops and monitoring it (including gender balance on panels of workshops/ events) and for ensuring participation of women-led technical institutions and SMEs in activities, integrating gender aspects in knowledge created by the project and considering ownership rights and access to finance for both women and men in policy analysis and trainings.

The human right to a clean, healthy and sustainable environment was endorsed by the UN Human Rights Council in October 2021 and the UN General Assembly in July 2022 (A/RES/76/300). It guarantees access to clean air, a safe climate, clean water, healthy ecosystems and biodiversity, healthy food, and non-toxic places.<sup>13</sup> All aspects of pollution and chemicals exposure have a bearing on the enjoyment of human rights, as highlighted in many reports and as demonstrated in several sectors. As recent examples, the 2024 reports to the UNGA of the Special Rapporteur on Human Rights and the Environment (A/79/270) “*Overview of the implementation of the human right to a clean, healthy and sustainable environment*” and of the Special Rapporteur on human rights and toxics (A/79/163) on “*Gender and hazardous substances*”, respectively highlight the various dimensions of this right including the importance of air quality and non-toxic

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<sup>9</sup> UNEP, Global Gender and Environment Outlook, 2016

<sup>10</sup> UNEP, Global Gender and Environment Outlook, 2016

<sup>11</sup> UNEP, Global Gender and Environment Outlook, 2016

<sup>12</sup> UNEP, Global Gender and Environment Outlook, 2016

<sup>13</sup> Plastic, Human Rights, and Business Responsibilities – Issue Brief – UNEP, 2022 [Plastics human rights.pdf](#)



environments, and elaborate on the State's duty to prevent hazardous substances and waste from generating or deepening gendered injustices, especially against women and girls, gender-diverse persons and poor men, and especially when they are from marginalized communities.

UNEP's Environmental and social sustainability framework applies to all its projects. The Framework employs the guiding principles of leave no one behind, human rights and gender equality-based approach, sustainability and resilience principle and accountability. It aims to: enhance outcomes by integrating environmental and social dimensions in UNEP-funded programmes and projects; strengthen alignment with SDGs; set standards of sustainability for UNEP's operations; and enable UNEP to work in a safer and smarter manner, minimizing potential risks and harm to intended beneficiaries while enhancing UNEP's capabilities and credibility.

## **6. Migration**

According to the ILO Global Estimates on International Migrant Workers, in 2022 there were 167.7 million migrants in the global labour force, representing 4.7 pct. of the labour force. This is an indication of the crucial role they play in the global economy. The majority of employed international migrants were concentrated in services (68.4 pct.), followed by industry (24.3 pct.), and agriculture, while 7.2 pct. of international migrants was unemployed. Given that migrant workers are indispensable in addressing global labour shortages and contributing to economic growth, ensuring their rights and access to decent work is a moral imperative and an economic necessity.

Millions of migrant workers are employed in the textile industry globally and face human and labour rights issues, including exploitation in home countries when they are charged excessive recruitment fees and related jobs, and/or not appropriately informed about their rights and responsibilities when living and working abroad. The charging of recruitment fees is particularly problematic as it can push migrant workers into debt bondage and prevent them from leaving exploitative situations. The textile sector is also a driving force of rural-urban migration. For example, in India, apparel manufacturing hubs are few and far between, and output demands are high. Consequently, the local labour supply is supplemented by a moving workforce. More than 70 percent of the workforce in the biggest hubs—NCR, Tiruppur, and Bangalore—comprises circular or temporary migrants, making migration an essential factor for production.

As with the social and wider sustainability challenges of the textile sector, a collaborative effort is needed to address this, and for government, civil society, international organizations and private sector to work together. Transitioning to sustainable consumption and production and a circular economy approach provides opportunities to create new jobs and improve working conditions along entire value chains, thus potentially positively affecting a multitude of countries. For example, in the textile sector, more environmentally sound, safer and inclusive practices in countries where raw materials are produced and fabric manufactured would directly benefit workers (e.g. reduced exposures to harmful chemicals), and enhanced reuse and recycling, including in developed countries, could contribute to job creation, including through engagement and institutionalization of the informal sector, which may greatly benefit migrants, especially women. The ILO estimates that implementing circular solutions – notably in waste management and recycling, and the services sectors, repair and renting models – could create a net growth of 6 million jobs globally by 2030 across sectors.

Given the special situation of migrants, and their contribution to the labor force including in sectors of focus of UNEP Chemicals and Pollution Action subprogramme, such as textiles, interventions to promote circularity and reduce exposures to harmful chemicals and pollution while creating new job opportunities have the potential of positively affecting migrant workers, while also generally improving the socio-economic conditions of workers in developing countries.

## Annex 2: Partner Assessment

UNEP is the UN's designated lead agency on environment and tackling the triple planetary crisis of climate change, biodiversity loss, and pollution. UNEP has expertise in advocacy, making knowledge and information available and accessible, and environmental and social safeguards.

Denmark has provided considerable support for UNEP over the years, and the capacity of UNEP is thus well known to Denmark. The Ministry of Foreign Affairs in its Organisation Strategy for UNEP 2022<sup>14</sup> provided an assessment of the ongoing reform processes towards a more focused, aligned, effective and impactful UNEP. UNEP has initiated a process of reviewing its organisational focus to ensure that it effectively addresses the urgent environmental challenges and delivers more impactful results on its mandate. Efforts related with operationalising strategic plans, prioritisation of work to ensure alignment of resources and capacities are ongoing. This includes strengthening institutional capacity for gender responsive project delivery.

The most recent MOPAN assessment (2021) highlighted UNEP's strong technical capacity, ability to produce high-quality knowledge products, and consultative strategic planning processes. UNEP continued to demonstrate strengths in global environmental leadership, aligning its work with the environmental dimensions of the 2030 Agenda. Overall, UNEP was found to be an effective multilateral organisation with comparative advantages in relation to global normative frameworks and leadership on environmental issues. It has a sound operational model and has in place appropriate policies, processes and procedures.

However, the report identified key areas for improvement, including areas mentioned in the previous MOPAN (2016): 1) results-based budgeting 2) ex-post monitoring and evaluation of projects 3) capacity analysis and 4) monitoring and reporting specifically on outcomes. Other areas for improvement included increasing flexibility in resource allocation and addressing tensions between UNEP's normative and operational roles. Progress was noted in strengthening accountability and integrating gender and human rights, but gaps remained in scaling insights from projects and ensuring sustainable impacts. UNEP's recent internal reforms, strategic shifts, and response to UN Development System reforms indicated a positive trajectory, aiming to bolster operational efficiency and coherence. The figure below shows the findings of the MOPAN assessment.



## Environmental and Social Safeguards

UNEP's project are designed and implemented in accordance with UNEP's [Environmental and Social Sustainability Framework](#) (ESSF), which aims to strengthen the sustainability and accountability of UNEP projects, to protect people and the environment from potential adverse impacts of project interventions, and to ensure that stakeholders actively participate in projects and have effective channels to voice their concerns.. Taking its departure in a human rights-based approach, the ESSF operationalises UNEP's commitment to sustainable development and environmental and social standards that are designed to promote human well-being and the protection of the environment, applying a risk-informed approach to addressing and mitigating environmental and social risks and impacts. The ESSF is structured around guiding principles, safeguard standards, and related operational modalities. UNEP evaluates the environmental and social safeguards according to a safeguard risk identification system. The safeguard risk identification process follows guiding principles and checks against specific safeguard standards. The guiding principles are as follows:

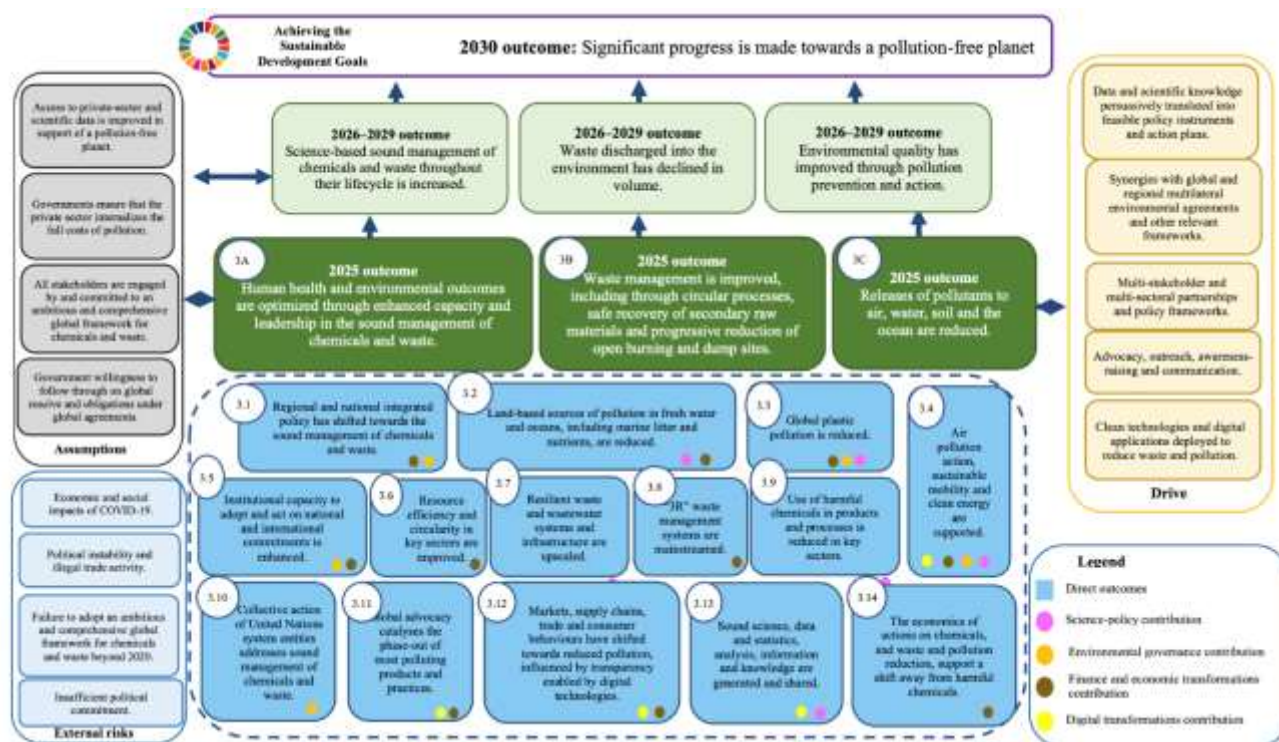
- Leave no one behind: Ensuring, through proactive engagement, that marginalized and disadvantaged groups and individuals are appropriately identified, provided equitable access to project benefits and resources, and are not left behind due to disadvantages, discrimination, and vulnerability to shocks, including crisis and conflict situations, climate change impacts and natural disasters.
- Human rights, gender equality and women's empowerment: The ESSF is based on the human rights standards contained in, and the principles derived from, the United Nations Charter, the Universal Declaration of Human Rights and other international human rights treaties and other legal instruments.
- Sustainability and resilience: The ESSF supports international conventions and agreed policy frameworks to promote sustainability and to increase the resilience of societies.
- Accountability: Compliance with legal norms and standards, including national laws, regulations and obligations under international environmental treaties and agreements, human rights law, international labour standards (respecting the higher standard where national law and international law set different standards).

### 3. Summary of key partner features

Name of Partner	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
UNEP	Designated lead agency on environment within the UN system. Facilitates UNEA, a high-level environment policy forum, and implements the decisions of the UNEA. Responsible for coordinating responses to environmental issues within the UN system. Global authority that sets the environmental agenda and provides access to scientific knowledge on the environment and serves as an authoritative global advocate for the environment. Facilitates global negotiation processes for establishing new MEAs.	High	High	Implementing Entity	<p><b>Strengths:</b> Neutral and independent technical authority on environmental policy and science-based knowledge. Experience and leadership working at the science-policy interface, facilitating multi-stakeholder processes, and promoting cooperation. Focal point for a wide range of international environment processes and networks. Strong links to environment ministries, regional and other environmental bodies and with the business and private sector. Follows the UN Secretariat's rules and regulations (fully adhering to international standards) and use UN Secretariat administrative systems. Experienced with fund administration, project management, and receiving funds from multiple donors.</p> <p><b>Weaknesses:</b> Relatively small size, limited resources and dependency on project funding, limited in-country presence (non-resident agency). UN Secretariat procedures (e.g. vis-à-vis procurement) can be slow and cumbersome.</p>	No special requirements after end of project – the Pollution Fund is a longer-term mechanism. UNEP will continue to pursue objectives under its MTS and PoW and build on project results.

## Annex 3: Theory of Change and Results Framework

### Theory of Change (PoW 2022-2025)



### Results Framework for 2025 (MTS 2022-2025, PoW 2022-2025)

Project		UNEP Pollution Fund	
Project Objective		Significant progress made towards a pollution-free planet, where pollution is prevented and controlled and good environmental quality and improved health and well-being are ensured	
Outcome 1		Human health and environmental outcomes are optimized through enhanced capacity and leadership in the sound management of chemicals and waste	
Outcome indicator 1.1		Number of Governments that, with UNEP support, are developing or implementing policies, strategies, legislation or action plans that promote sound chemicals and waste management and/or the implementation of multilateral environmental agreements and the existing framework on chemicals and waste	
Baseline	2021	169	Number of Governments developing or implementing relevant policies, strategies, legislation or action plans with UNEP support
Target	2025	379	
Areas of engagement		<p>1.1 Promoting sound science, management, information and knowledge sharing on chemicals, waste, and pollution. The fund will foster and facilitate access to and sharing of up-to-date, credible and relevant information, data and statistics. This will enable better-informed actions to prevent and address pollution and its impacts and promote systemic shifts at all levels of governance and among consumers.</p> <p>1.2 Assisting countries in undertaking analysis and using tools to identify the most polluting economic sectors and products. The fund will work with partners to support countries in adopting cutting-edge, digital tools to measure, monitor and share data on pollutants.</p> <p>1.3 Accelerating policy shifts towards the sound management of chemicals and waste. The thematic fund will help with the design of integrated, coherent and science-based regulatory frameworks and policies which build on the polluter pays principle, and life-cycle approaches.</p> <p>1.4 Strengthening institutions and building their capacity to act. Through the thematic fund UNEP will support Member States with technical capacity and institutional strengthening, including the implementation of a cross-sectoral national chemical management regime and integrated approaches to financing, through the promotion of knowledge and information sharing, policy support, rapid response support, tools and good practices.</p> <p>1.5 Raising ambition and leadership on sustainable and healthier living through advocacy, champions, and UNEP’s convening power. The fund will leverage the Inter-Organization Programme for the</p>	



			Sound Management of Chemicals and engage policymakers, youth, academia, civil society, financial institutions, and the private sector to gain support for positive environmental change, reducing and preventing pollution and promoting sustainable, healthier living.
Outcome 2			Waste management is improved, including through circular processes, safe recovery of secondary raw materials and progressive reduction of open burning and dump sites
Outcome indicator 2.1			Number of Governments developing or implementing policies, strategies and mechanisms to prevent or reduce waste and ensure environmentally sound waste treatment or disposal, including in the context of disaster or conflict-related environmental emergencies, with UNEP support
Baseline	2021	23	Number of Governments developing or implementing relevant policies, strategies and mechanisms, including in response to humanitarian and environmental emergencies, with UNEP support
Target	2025	47	
Areas of engagement			<p>2.1 Mainstreaming the 3Rs (reduce, reuse and recycle) and circular processes across waste flows while ensuring safe secondary raw materials recovery fund will identify solutions to build circularity across resource- and chemicals- intensive sectors, in accordance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. It will also work with municipalities and development organizations to create local employment opportunities while mainstreaming pollution reduction and sound management of chemicals and waste into development and humanitarian action.</p> <p>2.2 Reducing the use of materials, energy, water, and agricultural inputs through the adoption of resource-efficient and circular approaches. The fund will reduce wastage of resources and enable equitable access to resource with improved affordability, availability and sustainability for all.</p> <p>2.3 Identifying and closing open dumpsites. Partnering with entities such as the International Solid Waste Association and United Nations Human Settlement Programme, the fund will encourage national and local efforts for mandatory waste collection and segregation at source.</p> <p>2.4 Scaling up efforts to green waste and wastewater management infrastructure. The fund will support governments at all levels in developing, implementing and complying with resilient and effective waste and wastewater management systems and sustainable infrastructure, including natural infrastructure.</p>
Outcome 3			Releases of pollutants to air, water, soil and the ocean are reduced
Outcome indicator 3.1			Number of policy, regulatory, financial and technical measures developed with UNEP support to reduce pollution in air, water, soil and the ocean
Baseline	2021	64	Number of air pollution, soil pollution and freshwater and marine pollution reduction measures developed with UNEP support, including gender and social measures
Target	2025	97	
Outcome indicator 3.2			Reduction in releases of pollutants to the environment achieved with UNEP support
Baseline	2021	0	Fewer tons of harmful pollutants and waste, including those covered under multilateral environmental agreements
Target	2025	4,600	
Areas of engagement			<p>3.1 Accelerating the shift away from the generation, production and use of harmful chemicals that pose a risk to human health and the environment while generally promoting sound management of chemicals and waste. The fund will develop and implement methodologies and tools for tracking and controlling harmful chemicals and support sectors in designing products and processes that are safer and cleaner, including through green and sustainable chemistry.</p> <p>3.2 Influencing private sector procurement and investment decisions regarding chemicals use by promoting more informed consumer choices based on awareness of the environmental footprint of products consumed and used. The fund will increase the availability of clear, reliable information on chemicals in products, contributing to consumer literacy, in line with multilaterally agreed norms and standards.</p> <p>3.3 Improving air quality monitoring and assessments and supporting air quality management plans and actions targeting specific sectors, including transport, industrial operations, energy, waste and agriculture. The fund will also help countries in identifying local priorities to reduce air pollution related burden on human health especially among vulnerable groups.</p> <p>3.4 Scaling up ongoing efforts to address land-based sources of freshwater and marine pollution, especially nutrients, chemicals and plastic. The fund will help countries, cities and businesses in meeting their commitments and voluntary actions to tackle plastics pollution.</p> <p>3.5 Promoting the sustainable design of products and materials so that they can be reused or recycled and therefore retained in the economy for as long as possible</p>

### Draft Results Framework for 2026-2027 (MTS 2026-2029, PoW 2026-2029)

Project		UNEP Pollution Fund	
Strategic Objective		To achieve a pollution-free planet by reducing pollution and enhancing environmental quality and health for people and planet	
Project Objective		Reduce pollution in air, soil and water and enhance environmental quality and health for people and planet	
Medium-term Impact (2029)		Reduced exposure of people and planet to harmful chemicals and pollution	
Medium-term impact indicator 1		Reduction in releases of pollutants and waste to the environment	
Baseline	2025	3,298	Metric tonnes reduction of harmful pollutants and waste, including those covered under MEAs
Target	2029	+4,000	
Outcome indicator 1 (MTS-SP3.1)		Policy action for pollution prevention and control and sound chemicals and waste management	
Baseline	2025	50	Number of countries that have developed policies, laws or regulations that promote sound chemicals and waste management, waste prevention and reduction and pollution prevention and control, including implementation of MEAs and other global frameworks, targeting key sectors and issues: chemicals, waste management, air, water, soil or marine pollution, plastics or other industry sectors
Year 2	2026	+12	
Target	2027	+15	
Outcome indicator 2 (MTS-SP3.2)		Level of action by the private sector to tackle harmful chemicals, pollution and waste and implement safer alternatives and circular approaches	
Baseline	2025	10	Number of private sector entities that take up additional commitments or initiatives to improve chemicals and waste management and reduce pollution
Year 2	2026	+15	
Target	2027	+20	
Outcome indicator 3 (MTS-SP3.3)		Action plans or measures advancing positive outcomes for environment and health	
Baseline	2025	6	Number of intersectoral strategies or action plans or measures that address the environmental dimensions of antimicrobial resistance or other environment and health nexus issues
Year 2	2026	+4	
Target	2027	+3	
Baseline	2025	155	Number of strategies, action plans, initiatives, measures or technical interventions for pollution prevention and control and chemicals and waste management
Year 2	2026	+45	
Target	2027	+50	

## Annex 4: Risk Management


See section 9

## Annex 5: Budget Details

### Budget (Danish contribution)

Budget item	DKK
Category 1: PCP (programme coordination projects) and project pipeline (e.g. textiles)* (70 pct.)	12,409,091
Category 2: Critical gaps and emerging areas (e.g. plastics)** (30 pct.)	5,318,182
Category 3: Support to corporate projects and priorities***	
<b>Total allocation for projects</b>	<b>17,727,273</b>
<i>Ringfenced for foundational and enabling subprogrammes (15 pct.):</i>	<i>2,659,091</i>
- Foundational: Environmental governance (5 pct.)	886,364
- Foundational: Science (5 pct.)	886,364
- Enabling: Green finance (2.5 pct.)	443,182
- Enabling: Digital transformation (2.5 pct.)	443,182
<i>Spending on staff costs (excluding consultants and volunteers) (max. 30 pct. of allocation per project)</i>	<i>(≤5,318,182)</i>
PSC (programme support cost) (10 pct. overhead)	1,772,727
<b>Total funding transferred to UNEP</b>	<b>19,500,000</b>
Mid-term review, retained by MoE/MFA	500,000
<b>Total budget</b>	<b>20,000,000</b>
* Funding towards established projects for the implementation of the PoW	
** Specific, targeted activities within the PoW e.g. towards priority areas that need a financial lift, emerging work on conflicts and disasters, UNEA resolutions addressing the pollution core priority	
*** activities that may be crosscutting in nature in support of the three core areas (pollution, nature, climate)	

### Fund mobilisation status of the UNEP Pollution Fund (June 2025)

Donor	USD	DKK
Norway	8,354,219	54,878,865
Philippines	10,000	65,690
Czech Republic	166,230	1,091,965
Interest/forex fluctuation	275,128	1,807,316
<b>Total (June 2025)</b>	<b>8,805,578</b>	<b>57,843,842</b>
<b>Denmark 2025-2027</b> 	<b>3,044,603</b>	<b>20,000,000</b>
Transfer to UNEP	2,968,488	19,500,000
Mid-term review, retained by MoE/MFA	76,115	500,000
<b>Total UNEP (less Danish mid-term review)</b>	<b>11,850,181</b>	<b>77,843,842</b>
Source: <a href="https://www.unep.org/about-un-environment-programme/funding-and-partnerships/unep-planetary-funds">https://www.unep.org/about-un-environment-programme/funding-and-partnerships/unep-planetary-funds</a>		
Note: UN Operational Rate of Exchange applied, 1 June 2025: USD 1.00 = DKK 6.569		
<a href="https://treasury.un.org/operationalrates/OperationalRates.php">https://treasury.un.org/operationalrates/OperationalRates.php</a>		

## Annex 6: List of Supplementary Materials

#	Document / Material	Source
1	For People and Planet – the United Nations Environment Programme strategy for tackling climate change, biodiversity and nature loss, and pollution and waste from 2022-2025 (Medium-Term Strategy)	UNEP
2	Solutions for a healthy, prosperous and resilient people and planet: the United Nations Environment Programme Strategy for 2026–2029 (draft)	UNEP
3	Programme of Work and Budget for 2022-2025	UNEP (Jan 2024)
4	Draft Programme of Work and Budget for the Biennium 2026-2027	UNEP (Aug 2025)
5	Thematic Funds for Climate Stability, Living in Harmony with Nature, and Towards a Pollution-Free Planet – Operations Manual	UNEP (2023)
6	Thematic Funds for Climate Stability, Living in Harmony with Nature, and Towards a Pollution-Free Planet – Governance Guide, External Version	UNEP (Feb 2023)
7	Terms of Reference for the Administration of General Trust Fund to Support the Activities Towards a Pollution Free Planet	UNEP
8	UNEP Planetary Funds Biennial Report 2023–2024	UNEP
9	Common Approach towards a Pollution-Free Planet	UNEP (2023)
10	The three UNEP planetary Funds overview memo	UNEP
11	Thematic Fund for Towards a Pollution-free Planet objectives (FAQ)	UNEP
12	Tackling The Triple Planetary Crisis: A New Funding Paradigm	UNEP (2022)
13	<a href="https://www.unep.org/about-un-environment-programme/funding-and-partnerships/planetary-funds/unep-pollution-fund">https://www.unep.org/about-un-environment-programme/funding-and-partnerships/planetary-funds/unep-pollution-fund</a>	UNEP
14	<a href="https://www.unep.org/about-un-environment-programme/funding-and-partnerships/unep-planetary-funds">https://www.unep.org/about-un-environment-programme/funding-and-partnerships/unep-planetary-funds</a>	UNEP



## Annex 7: Plan for Communication of Results

The Secretariat in partnership with the Communication Division develops and implements a communication and outreach strategy which is presented to the Steering Committee for review. The Secretariat for the Planetary Funds and Communications Division in close cooperation develop and implement communications and marketing toolkits. To ensure uniform application, the communications approach is rolled out by all Regional Offices.

The Communications Division works with the Planetary Fund Secretariat, PPD, and all Divisions and Offices to create communication products based on the verified results funded by the Planetary Funds. This includes harnessing digital technology to transform content from existing reports (e.g. technical progress reports) into a more accessible, appealing, and user-friendly format for delivery to a wide range of audiences.

The Communications Division develops annual reports that communicate UNEP results to the public. These include information on the status of, and contributions to, the Planetary Funds.

## Annex 8: Process Action Plan

Activity	Deadline 2025	Responsible/involved person and unit
Start of contract	Thu 1 May	MFA and consultant
Desk assessment and preliminary drafting of project document based on available documentation	May	Consultant
Kick-off meetings	Mid-late May	Consultant, MoE, KLIMA, UNEP
Further formulation of project document and ongoing dialogue with the MoE focal point, MoE experts, KLIMA, and UNEP	Mid-May – June	Consultant
Submit draft project document to MoE and KLIMA for review	Mon 30 June	Consultant
Comments from MoE and KLIMA	Wed 9 July	MoE, KLIMA
Address comments from MoE and KLIMA	Mon 7 July	Consultant
Submit draft project document UNEP for review	Mon 7 July	Consultant
Comments from UNEP	Mon 12 August	UNEP
Address comments from UNEP	Thu 21 August	Consultant
Submit draft project document to KLIMA management for review and approval	Mon 25 August	KLIMA
Address comments from KLIMA management	Fri 29 August	Consultant
Desk appraisal start	Mon 1 September	KLIMA
Submission of appraisal report	Tue 30 September	KLIMA
Address comments from appraisal in project documents	Fri 17 October	Consultant
End of contract	31 October	
Submission of final project documents for approval by under-secretary for development policy	November	KLIMA
Approval	November	LEARNING
Publication on Danish Transparency website	December	KLIMA
Signing of agreement with UNEP and forward commitment letter	December	MoE, KLIMA

## Annex 9 Quality Assurance Checklist – Under Separate Cover

### Summary of responses to recommendations from Quality Assurance Checklist:

#	Recommendation	Response
1	It is recommended to explain what type of project/activities the funds will support and to include specific examples supported from the funds to demonstrate how the funds complements other funding from UNEP and what type of activities/projects that will be supported.	Examples of projects that the Pollution Fund has supported have been added.
2	Include perspectives on human rights, gender and poverty in the context of pollution. And how the contribution to the Pollution Fund will contribute to consider these perspectives and if the Fund has safeguards on these topics (probably just a reference to UN/UNEP's general policies)	A para on HR, poverty, gender has been added to section 2.5 (rationale and justification). Further info already provided in annexes. A paragraph on UNEP's social safeguards is already provided in section 10 (risk management)
3	It is recommended to reconsider if the objective needs to be reformulated to reflect how the Fund's is contributing to achieve UNEP's overall MTR targets. It should also be considered if the results framework should monitor progress of the Fund and not the broader UNEP results framework (but aligned and contributing to UNEP's overall MTR).	The Pollution Fund does not have a separate ToC or RF, it is guided by the ToC and RF in the MTS/PoW. This is now mentioned explicitly in section 4 (ToC) and section 5 (summary of RF) Being a core contribution, the Danish support aligns to this. A separate RF for the Danish support would be inappropriate and defy the intention of the Pollution Fund of reducing "project dependency". Any changes to the objective and results framework should thus be addressed at the overall Pollution Fund/UNEP level, e.g. in the UNEA context. It has been added to section 2.6 (strategic considerations) that Denmark will advocate for the establishment of more specific and achievable objectives, outcomes and targets for the Pollution Fund.
4	The budget lines of the funds should be explained when the fund is presented (chapter 3-6) and double-check if the MFA can accept that unused funds will not be repaid.	More info on the budget categories has been added and phrasing on unused funds deemed acceptable
5	Under justification, please justify why we need to provide Danish support to the Pollution Fund and not just unearmarked funds to UNEP.	The allocation for the Pollution fund ensures the funding is specifically used for tackling pollution - a general core contribution to UNEP would also be for biodiversity and climate change (and climate change is outside MoE's mandate). This has been added to section 2.5 (rationale).
6	It is recommended to improve the risk assessment in the PD and follow the standard MFA approach of the three categories.	Section 9 (risk management) has been revised. It has been added to section 2.6 (strategic considerations) that Denmark will advocate for a more comprehensive risk matrix for the Pollution Fund.

## Annex 10: UNEP Pollution Fund Responsiveness to OECD-DAC Quality Criteria

OECD-DAC has defined six quality criteria, which serve as the reference framework for evaluating international cooperation interventions. They are also a useful framework for the justification of supporting the Pollution Fund.

**Relevance:** The Pollution Fund tackles the pollution side of the triple planetary crisis. It specifically addresses SDG 12 (Responsible Consumption and Production), in particular targets 12.1 (implement 10-YFP), 12.4 (environmentally sound management of chemicals and all wastes), 12.5 (reduce waste generation), 12.6 (encourage companies to adopt sustainable practices), 12.a (strengthen developing countries' SCP scientific and technological capacity).

At the same time, the Pollution Fund addresses targets of several other SDGs, in particular: SDG 3 (Good Health and Well-being), target 3.9 (reduce deaths and illnesses from hazardous chemicals and pollution/contamination); SDG 6 (Clean Water and Sanitation), target 6.3 (reduce water pollution); SDG 8 (Decent Work and Economic Growth), target 8.4 (improve resource efficiency in consumption and production, in accordance with 10YFP); SDG 9 (Industry, Innovation and Infrastructure), target 9.4 (upgrade infrastructure and retrofit industries to make them sustainable); SDG 11 (Sustainable Cities and Communities), target 11.6 (reduce adverse environmental impact of cities, incl. air quality and waste management); SDG 14 (Life below Water), target 14.1 (prevent and reduce marine pollution); and SDG 17 (Partnerships for the Goals) target 17.7 (development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries).

**Internal and external coherence:** The unearmarked nature of support for the multi-donor Pollution Fund UNEP ensures coherence and synergy among donors and is anticipated to facilitate enhanced donor coordination.

**Effectiveness:** The flexibility of the Pollution Fund with unearmarked support will allow UNEP to engage more strategically in pursuing the priorities and targets laid out in the MTS and PoW, thus contributing to enhancing UNEP's effectiveness. The support is well-aligned with the Paris Declaration on Aid Effectiveness.

**Efficiency:** The unearmarked funding and pooling of donor resources, compared to earmarked project funding, reduce transaction costs, including those related to fund mobilisation and technical and financial reporting. Hence, the Pollution Fund contributes to enhanced cost-effectiveness and enables a better balance in the use staff time for technical and administrative functions. The single BSC and Secretariat for all three Planetary Funds further reduces transaction costs. The cost-efficiency of the model is reflected in the lower Programme Support Costs (PSC) percentage applied compared to the PSC for earmarked project funding.

**Impact:** The enhanced effectiveness and increased focus on delivering UNEP's strategic priorities and targets combined with the reduced transaction costs and better use of staff time is likely to enable to achieve higher impact vis-à-vis tackling pollution and promoting SCP.

**Sustainability:** the Pollution Fund is established as a longer-term mechanism to enable UNEP to better pursue its strategic objectives. As such, the Pollution Fund is conducive for continuity and a sustained push for results.

## Annex 11: Assessment of Pollution Fund According to AMG Standard Questions

The project is briefly summarized below using the eight standard questions in the Danida Guidelines.

**1) Political, economic, societal and institutional context:** Environmental degradation is increasingly evident across the globe. The interconnected crisis of climate change, biodiversity loss and pollution of our vulnerable environment exacerbate and reinforce each other, creating poverty, hunger, food insecurity, and a breeding ground for existing and new diseases, in particular developing countries, which have insufficient financial and institutional capacity to effectively adapt to climate change, protect ecosystems, enforce environmental regulations, and invest in promoting environmentally sustainable consumption and production patterns. Unsustainable economic models, such as the linear “take-make-waste” approach and the short-sighted “grow now, clean-up later” model, have thrived at the expense of nature and communities’ well-being.

**2) The development problem or issue and the desired transformation:** Without urgent and coordinated efforts, the climate, biodiversity and pollution triple planetary crisis will continue to undermine the livelihoods and well-being of populations in developing countries, especially among the poor and most vulnerable. Reversing the trend of rampant pollution requires systemic change, including bold action to tackle the root causes of environmental degradation and to make sustainable consumption and production (SCP) the global norm. Support for developing countries is especially critical, as they face significant barriers to implementing SCP patterns and practices. UNEP’s MTS 2022-2025 and draft MTS 2026-2029 provide a roadmap for transformative actions, targeting the underlying drivers of climate change, biodiversity loss, and pollution, and guiding UNEP in fostering innovative and integrated solutions that align with the goals of the 2030 Agenda.

**3) The main changes that will need to take place for the transformation to happen:** The overall purpose of the Pollution Fund is to help UNEP achieving the pollution-related objective in the 2022-2025 MTS and PoW is “*Significant progress made towards a pollution-free planet, where pollution is prevented and controlled and good environmental quality and improved health and well-being are ensured*”, whereas the objective in the draft MTS 2026-2029 is “*to achieve a pollution-free planet by reducing pollution and enhancing environmental quality and health for people and planet*”, which aims to “*reduce pollution in air, soil and water and enhance environmental quality and health for people and planet*”. The expected strategic outcomes in the MTS 2022-2025 for vulnerable developing countries are: 1) science-based sound management of chemicals and waste throughout their lifecycle is increased, 2) waste discharged into the environment has declined in volume, and 3) environmental quality has improved through pollution prevention and action. In the draft MTS 2025-2026 the anticipated medium-term impact is “*reduced exposure of people and planet to harmful chemicals and pollution*”.

UNEP is well-positioned to trigger changes in these dimensions, through its normative mandate and science-policy capacities, long-standing experience in institutional capacity development for government and other actors in development, and well-established partnerships with environmental authorities.

**4) The most important drivers/champions of change:** The pollution-free planet ToC in the PoW 2022-2025 identifies five main drivers, which UNEP will use to catalyse change:

1. Data and scientific knowledge persuasively translated into feasible policy instruments and action plans.
2. Synergies with global and regional multilateral environmental agreements and other relevant frameworks.
3. Multi-stakeholder and multi-sectoral partnerships and policy frameworks.
4. Advocacy, outreach, awareness-raising and communication.
5. Clean technologies and digital applications deployed to reduce waste and pollution.

**5) Modalities and instruments Denmark will use to contribute to the change:** There has been coordination and sharing between the UNEP projects Denmark has supported on SCP and the SCP-related SSCs in Indonesia and India. This is expected to continue. Denmark is with soft earmarking encouraging UNEP to allocate Pollution Fund resources to SCP project that Denmark has supported.



**6) The main conditions in place for the change to happen:** The UNEA and its Member States have endorsed UNEP's MTR and PoW, including the push for addressing pollution as one of the three elements of the triple planetary crisis as well as promoting SCP and a circular economy as key element of this. Moreover, progress is made on the plastic pollution negotiation process, with a global push for an MEA on plastic gaining grounds. This increased momentum also creates an increased demand for technical assistance from developing countries to engage in better management of chemicals and pollution and pursuing a circular economy.

**7) The main assumptions that will need to hold true for the change to happen:** The pollution-free planet ToC in the PoW 2022-2025 identifies four main assumptions, which are important for achieving progress on the outcomes in the ToC:

6. Access to private-sector and scientific data is improved in support of a pollution-free planet.
7. Governments ensure that the private sector internalizes the full costs of pollution.
8. All stakeholders are engaged by and committed to an ambitious and comprehensive global framework for chemicals and waste.
9. Government willingness to follow through on global resolve and obligations under global agreements.

**8) The main risk factors that may prevent, delay or limit the changes from taking place:** The Pollution Fund supports a diverse range of projects in different geographical contexts, so a detailed risk matrix with mitigating actions has not been elaborated at the fund level. Each of the supported projects will have a full risk management matrix, following UNEP's rules and procedures. UNEP applies a structured approach to risk management across its projects and has strong capacity vis-à-vis environmental and social safeguards and the principles of free prior and informed consent.

General risks of wider relevance have been identified for the Pollution fund: political instability and illegal trade activity, failure to adopt an ambitious and comprehensive global framework for chemicals and waste, insufficient political commitment.

## Annex 12: How-to notes – key elements covered

How-to notes		Pollution Fund
3: Climate Adaptation, Nature and Environment	Stronger strategic focus on climate change, environment and greening of Danish ODA – at least 5% of is for environment and biodiversity	- The support for the Pollution Fund has a strong environmental focus.
	Focus on the fragile, poorest and most vulnerable countries, especially in Africa	- UNEP's head office is in Kenya and has a strong presence in Africa. - UNEP has a history of working in fragile and vulnerable countries, sometimes with a direct in-country presence.
	Water resource management incl. water for production and wastewater treatment	- The Pollution Fund contributes to reduced water pollution and improved wastewater management.
	Health as a secondary objective	- The Pollution Fund contributes to improved health by supporting better management of harmful chemicals and pollution, thus reducing people's exposure.
	Nature and biodiversity	- The Pollution Fund contributes to improved ecosystem status, supporting better management of chemicals and pollution, thus reducing pollution of ecosystems and its harmful effects on wild species.
	Urban areas and physical planning, incl. integrated wastewater and surface-water solutions	- The Pollution Fund contributes to reduced air and water pollution and improved wastewater management, including in urban areas.
	Multilateral support and partnerships Global climate and environmental funds	- The UNEP Pollution Fund is a multilateral and multi-donor environmental trust fund.
	Strategic sector cooperation	- There is scope for continuation of the coordination and synergies between SCP-focused SSCs and Danish SCP-focused support for UNEP (10YFP, InTex).
	Employment and green transition	- The Pollution Fund supports SCP, which is central to the green transition and can be coupled with decent jobs, e.g. in the textile sector.
	Pro-poor orientation	- UNEP's work is generally focused on developing countries, and core contributions have a 100% ODA-eligibility factor according to OECD-DAC. - UNEP applies a structured approach to inclusion. - Poor communities are particularly affected by pollution, especially water pollution.
	Private investment	- The Pollution Fund is open to contributions from private entities. - SCP is focused on changing consumption and production patterns, thus by nature requiring a strong engagement of the private sector and mobilising private investments in production facilities, incl. waste management and pollution control.
	Approach to institutional capacity building of partners and representation of interests	- Institutional capacity development is at the core of UNEP interventions, especially for government agencies, but also for the private sector and civil society.
1: Fighting Poverty and Inequality	Multi-dimensional poverty concept	- The Pollution Fund contributes to tackling a non-monetary dimension of poverty, i.e. the vulnerability to pollution.

		- UNEP applies a structured approach to inclusion and promotes transparency in environmental governance.
	LNOB and HRBA	- UNEP is committed to LNOB and HRBA and has established procedures for their application in projects.
	Do-no-harm	- UNEP has strong capacities vis-à-vis applying environmental and social safeguards and the principles of free prior and informed consent (FPIC).
	Short-term and long-term perspective	- The Pollution ToR and results framework in UNEP's MTS and PoW frame a long-term perspective on ending pollution, with defined short-medium term outcomes expected from the implementation of the MTS and PoW.
2: Energy Transition and Emission Reductions in Developing Countries	National capacity building, NDCs, energy planning and inclusive green transition	- The Pollution Fund does not directly address energy or carbon emissions, it engages strongly in the green transition, tackling pollution, chemicals, and waste – funding capacity development for national (and sub-national) actors.
	Decarbonisation and mitigation across sectors	- While the Pollution fund does not directly address carbon emissions, SCP also concerns energy efficiency, hence contributing indirectly to emission reductions.
	Cooperation with the private sector	- The Pollution Fund is open to contributions from private entities. - SCP is focused on changing consumption and production patterns, thus by nature requiring strong engagement of the private sector and mobilising private investments in production facilities, incl. waste management and pollution control. - Institutional capacity development is at the core of UNEP interventions, incl. for the private sector.
6: Job Creation and Sustainable Growth	Support business community involvement in achieving the SDGs within energy, water, environment, food and health. Ensuring decent jobs and livelihoods.	- SCP is focused on changing consumption and production patterns, thus by nature requiring a strong engagement of the private sector and mobilising private investments in production facilities, incl. waste management and pollution control. - The Pollution Fund supports SCP, which is central to the green transition and can be coupled with decent jobs, e.g. in the textile sector.
	Jobs and green transition	
7: Human Rights and Democracy	Rights and dignity of marginalised groups	- The Pollution Fund contributes to the right to a healthy environment, by addressing issues related to harmful chemicals and pollution – thus also indirectly contributing to the right to health. Poor and marginalised groups are disproportionately affected by pollution and related health issues.
	Gender equality, girls' and women's rights	- UNEP implements a structured approach and procedures vis-à-vis the inclusion, meaningful participation and empowerment of women across its portfolio.

## Annex 13: List of projects funded by the Pollution Fund (October 2025)

Project/Grant Title	Type of project	Geographical coverage	Amount (USD)
International Negotiating Committee to end plastic pollution	Support to negotiations	Global	4,000,000
Support to corporate priority: Monitoring Frameworks	Support to corporate priorities	Global	100,000
Support to corporate priority: Collaboration with Private Sector on pollution	Support to corporate priorities	Global	100,000
Science Policy Panel on chemicals, waste and pollution prevention	Support to OEWG/preparatory process for science-policy panel	Global	500,000
Support to corporate priority: UNEA	Support to corporate priorities	Global	236,900
Circularity in Sectors: One UNEP Textile Project*	Programme coordination projects and project pipeline	Global	709,761
Pollution and Health: UNEP-Wide Project on Improving Air Quality**	Programme coordination projects and project pipeline	Global, regional, national	709,761
International Negotiating Committee to end plastic pollution	Support to negotiations	Global	1,000,000
Science Policy Panel on chemicals, waste and pollution prevention	Support to OEWG/preparatory process for science-policy panel	Global	500,000
International Negotiating Committee to end plastic pollution	Support to negotiations	Global	1,000,000
Establishment of the interim secretariat for the Intergovernmental science-policy panel on chemicals, waste and pollution (ISP-CWP)	Support to operationalization of ISP-CWP	Global	150,000

\* Support to all four project outputs, focusing on: shifting industry norms, supporting policy, strengthening capacities to shift investments, advocacy on textile consumption)

\*\* Support to policy development and cooperation in Western Balkans, West Asia, Latin America and the Caribbean, Asia Pacific, and global support.