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## **Economic Commission for Europe**

Meeting of the Parties to the Convention  
on Environmental Impact Assessment in  
a Transboundary Context

Meeting of the Parties to the Convention  
serving as the Meeting of the Parties  
to the Protocol on Strategic  
Environmental Assessment

### **First biannual financial report in period between sixth/second and seventh/third sessions of the Meeting of the Parties to the Convention/Protocol: period to 31 December 2014**

**Note by the secretariat**

#### *Summary*

The Meeting of the Parties to the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and the meeting of the Parties to the Convention's Protocol on Strategic Environmental Assessment requested the Convention secretariat, in accordance with the financial rules of the United Nations, to monitor the expenditure of the Convention's funds and to prepare a report for the next session of the Meeting of the Parties, based on the information contained in biannual reports. This report covers the period from after the sixth session of the Meeting of the Parties to the Convention and the second session of the Meeting of the Parties to the Protocol, in June 2014, to the end of December 2014.

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## **I. Introduction**

1. This report sets out income, in-kind contributions and expenditure in the reporting period, as well as the balance in the trust fund under the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) at the end of the period. It also identifies any savings and overspend. The report addresses work under the Convention, including under its Protocol on Strategic Environmental Assessment. Details of income and expenditure are provided in the annex to this report.

## **II. Pledges and fund-raising**

2. The pledges made at the sixth session of the Meeting of the Parties to the Convention and the second session of the Meeting of the Parties to the Protocol were insufficient to cover the core budget, as they represented less than a half of the budget agreed by the MOPs.<sup>1</sup> The Meeting of the Parties: (a) urged all Parties to contribute to ensuring sustainable funding of activities and an equitable and proportionate sharing of the financial burden among the Parties and Signatories; and (b) strongly urged Parties that had so far only committed limited funds or in-kind contributions to raise their contributions during the current and future budget cycle.<sup>2</sup>

3. In November 2014, further to the request by the Meeting of the Parties, the secretariat wrote to a number of Parties to remind them about outstanding pledges and encourage further pledges and timely financial contributions at the end of the calendar year.

4. Some Parties made unpledged contributions in the reporting period. At their request, payment requests were issued in 2014 for Albania, Azerbaijan and Ukraine, which however have not been received yet, whereas Norway contributed over ten times more than its initial pledge.

5. It should be noted that losses were experienced due to currency fluctuations.

## **III. Income and expenditure**

6. Table 1 summarizes the income and expenditure in United States dollars. Parties made financial contributions to the Convention's trust fund (annex, tables A.1 and A.2).

7. Activities under the workplan<sup>3</sup> were assigned as priority 1 or 2 in the core budget. According to decision VI/4-II/4 (para. 9), Parties agreed that the total of 1100 shares budgeted to cover activities not covered by United Nations regular budget would be divided as follows: 565 shares for the core (priority 1) requirements and 535 shares the remaining non-core (priority 2) requirements.

8. Switzerland made funds available for technical advice to Kyrgyzstan, as foreseen in the workplan. Germany made funds available to support participation of government experts and/or non-governmental organizations from economically weaker Central and Eastern European and Central Asian member countries in the meetings of the Implementation Committee, the Bureau and the Working Group on EIA and SEA or with respect to other work programme activities under the Convention and the Protocol.

9. Three priority 2 activities were not completed within the previous intersessional period and were therefore carried forward, together with the budgeted funds: a

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<sup>1</sup> See ECE/MP.EIA/20/Add.3–ECE/MP.EIA/SEA/4/Add.3, decision VI/4–II/4.

<sup>2</sup> Decision VI/4–II/4, paras. 6 and 7.

<sup>3</sup> ECE/MP.EIA/20/Add.3–ECE/MP.EIA/SEA/4/Add.3, decision VI/3–II/3.

subregional cooperation workshop for the Mediterranean Sea (largely \$20,000); technical advice to the Russian Federation (contribution of \$28,469 (Sweden)); and technical advice to Uzbekistan (\$28,474 (Switzerland))

10. The income, together with the funds for the carried-over activity, totalled \$384,733. Outstanding pledged contributions for the intersessional period total \$442,544.

Table 1  
**Income and expenditure**

(in United States dollars)

	<i>Amount by priority</i>			<i>Total</i>
	<i>1</i>	<i>2</i>	<i>3*</i>	
(a) Contributions made to the trust fund, with non-earmarked contributions being allocated first to priority 1 activities (from tables A.1 and A.2)	213 641	94 149	0	<b>307 790</b>
(b) Funds for carried-over activities (see para. 8)	0	76 943	0	<b>76 943</b>
<b>(c) Total income to the trust fund in the period ((a)+(b))</b>	<b>213 641</b>	<b>171 092</b>	<b>0</b>	<b>384 733</b>
(d) Expenditure from the trust fund for budgeted priority 1 and 2 workplan activities (from table A.3, A.5 and A.6) and unbudgeted priority 3 activities (from table A.4)	41 429	28 000	0	<b>69 428</b>
(e) 13% United Nations programme support costs	5 386	3 640	0	<b>9 026</b>
<b>(f) Trust fund balance: income less expenditure in the period ((c)-(d)-(e))</b>	<b>166 827</b>	<b>139 452</b>	<b>0</b>	<b>306 279</b>
(g) In-kind contributions made, valued according to the budgeted activity cost, or estimated for priority-3 activities (from table A.7)	0		20 000	20 000
(h) Outstanding pledged contributions (derived from table A.1)	91 185	0	0	442 544

\*Priority 3 is used for contributions made to, and expenditure on, activities for which no budget was assigned.

11. The secretariat spent from the trust fund in accordance with the budget (table A.3, with further details in tables A.5 and A.6). The funds were spent on a priority-1 external expert to provide secretariat support and on three priority-2 activities in the following areas:

- (a) Two sessions of the Implementation Committee;
- (b) One session of the Bureau meeting;<sup>4</sup>
- (c) Secretariat travel in relation to the workplan;

<sup>4</sup> The Bureau meeting took place after the reporting period, but the expenses occurred during the reporting period. As the UN is currently transitioning to IPSAS methodology, in the future costs will be reported at the period when the activity actually takes place, and not where the cash expenditure is realized.

(d) Further secretariat support (relating to accession/ratification as well, see workplan).

12. The expenditure totalled \$69,428, to which was added 13 per cent United Nations programme support costs of \$9,026, leaving a balance in the trust fund of \$306,279.

13. Germany undertook a workplan activity by providing in-kind contribution (table A.7) for the organization of a subregional cooperation meeting in Germany for the countries of the Baltic Sea area in November 2014. This activity, has been valued at \$20,000.

#### IV. Overspending and savings

14. Savings, at or exceeding \$10,000 per budget line, were realized for the expenditure for external expert to provide secretariat support; during the reporting period the extrabudgetary post of the external expert was vacant for three months (expected savings to be approximately \$45,000).

Table 2  
**Budgetary requirements**

(in United States dollars)

	<i>Amount by priority</i>		<i>Total</i>
	<i>1</i>	<i>2</i>	
(a) Budget for period between the sixth and seventh sessions of the Meeting of the Parties (decision V/4-II/4), plus for carried-over activities (from table A.3) and without the 13 per cent United Nations programme support costs	565 000	611 943	<b>1 176 943</b>
(b) Expenditure from the trust fund for budgeted workplan activities (from table 1, row (d))	41 429	28 000	<b>69 428</b>
(c) In-kind contributions made (from table 1, row (g))	0	0	<b>0</b>
(d) Savings against budget for workplan activities (from table A.3)	48 571	440	<b>49 011</b>
(e) Overspend against budget for workplan activities (from table A.3)	0	- 1 087	<b>- 1 087</b>
<b>(f) Outstanding budgetary requirements ((a)-(b)-(c)-(d)+(e))</b>	<b>475 000</b>	<b>582 416</b>	<b>1 057 416</b>
(g) 13 per cent United Nations programme support costs	61 750	75 714	<b>137 464</b>
<b>Total outstanding requirements ((f)+(g))</b>	<b>536 750</b>	<b>658 130</b>	<b>1 194 880</b>

15. In addition, some savings (\$440) were realized for the expenditure for the Bureau meeting/Participation of CITs (Bureau members) (5-6 February 2015 / expenditure effected in 2014), while some overspend (\$1,087) is noted for the two meetings of the Implementation Committee/Participation of CITs (Bureau members) (September and December 2014). New financial support procedures for the participation of representatives to meetings in Geneva have applied as of January 2015 (such as for the Bureau) and are expected to realize savings in the future.

16. Table 2 presents the budgetary requirements for the period between the sixth and seventh sessions of the Meeting of the Parties to the Convention (and the second and the third sessions of the Meeting of the Parties to the Protocol), identifying how much of the budget has been fulfilled by expenditure and in-kind contributions and taking into account savings and overspend. Table 2 refers to priority-1 and -2 activities as only these had a budgetary allocation.

## **V. Outstanding requirements and operating reserve**

17. Table 2 also presents the outstanding budgetary requirements at the end of the period, totalling \$1,194,880 for priority 1 and 2 activities, including the 13 per cent United Nations programme support costs. These requirements may be contrasted with the available funds for such activities, totalling \$384,733, and the outstanding pledged contributions of \$442,544. **A substantial shortfall is therefore anticipated.**

18. An operating reserve of \$411,925 was created by carrying forward unspent funds from the three intersessional periods since the third session of the Meeting of the Parties, as decided by the Meeting of the Parties. The operating reserve provides contingency funding to ensure continued operations under the Convention in the event of unanticipated problems, for example delayed receipt of contributions.

## **Annex**

### **Details of the financial report (overleaf)**

Table A.1  
**Income to the Convention's trust fund**

(in United States dollars)

<i>Party<sup>a</sup></i>	<i>Description of pledge in ECE/MP.EIA/20-ECE/MP.EIA/SEA/4 annex, plus additional contributions</i>	<i>Pledge</i>	<i>Amount received</i>
Albania	(None)	0	0
Armenia	(Unpledged contribution)	0	1,000
Austria	Six shares <sup>b</sup> per year for three years, for both instruments and US\$ 5,000 for the guidance on nuclear-related activities	23,000	6,000
Azerbaijan	US\$ 4,000 Four shares in 2014 and further contributions to be specified in 2015 and 2016	4,000	0
Belarus	(None)	0	0
Belgium	(Unpledged contribution/Flanders)	0	10,687
Bosnia and Herzegovina	(None)	0	0
Bulgaria	US\$ 5,000 for the Convention and US\$ 3,000 for the Protocol in 2014.	8,000	8,000
Canada	(None)	0	0
Croatia	Three shares (USD 3,000) per year	9,000	3,000
Cyprus	(Unpledged contribution)	0	1,000
Czech Republic	US\$ 5,000 per year until the next Meeting of the Parties, depending upon the availability of funds in the national budget.	15,000	5,000
Denmark	(none)	0	0
Estonia	€1,000 per year in 2014, 2015 and 2016	3,720	1,359
Finland	US\$ 5,000 (5 shares) per year for the intersessional period (2015, 2016, 2017), depending upon the availability of funds in the national budget	15,000	0
France	€10,000 per year, subject to availability in the budget.	40,800	13,605
Germany	A minimum of 30 shares for the period to the next sessions of the MOP and MOP/MOP. This sum will be divided into at least two payments and will be earmarked. Any payment depends on the availability of funds in the national budget that will have to be adopted by the Parliament for each year.	30,000	15,000
Greece	(None)	0	0
Hungary	(None)	0	0
Ireland	(None)	0	0
Italy	(Unpledged contribution)	0	11,765
Kazakhstan	(None)	0	0
Kyrgyzstan	(None)	0	0
Latvia	(None)	0	0
Liechtenstein	(None)	0	0
Lithuania	(Unpledged contribution)	0	2,988
Luxembourg	(None)	0	0
Malta	(None)	0	0
Montenegro	(None)	0	0
Netherlands	€48,000 for the intersessional period between the sixth and seventh sessions of the Meeting of the Parties.	66,391	66,391

<i>Party<sup>a</sup></i>	<i>Description of pledge in ECE/MP.EIA/20-ECE/MP.EIA/SEA/4 annex, plus additional contributions</i>	<i>Pledge</i>	<i>Amount received</i>
Norway	US\$ 10,000-15,000 (10-15 shares) per year for the intersessional period. Any payment depends on the availability of funds in the national budget that will have to be adopted by the parliament for each year.	30,000	102,609
Poland	Five shares per year for the period to the next Meeting of the Parties (in years 2015, 2016 and 2017).	15,000	0
Portugal	(None)	0	0
Republic of Moldova	(None)	0	0
Romania	USD 5,000 per year for three years	15,000	5,000
Serbia	(Unpledged contribution)	0	1,200
Slovakia	(none)	0	0
Slovenia	Three shares per year for three years for both the Convention and the Protocol.	9,000	3,000
Spain	(None)	0	0
Sweden	(None)	0	0
Switzerland	Likely US\$ 20,000 (20 shares) per year to the next meeting of the Parties. An unpledged contribution of CHF 25,000 (US\$ 28,474) for technical advice on EIA to Kyrgyzstan and approximately CHF 35,000 for guidelines on transboundary EIA for Central Asian countries (i.e. US\$ 66,700).	155,174	50,186
The former Yugoslav Republic of Macedonia	(None)	0	0
Ukraine	US\$ 6,000 (six shares) for the intersessional period	6,000	0
United Kingdom of Great Britain and Northern Ireland	(None)	0	0
European Union	€50,000 per year (but see paragraph 4 of decision VI/4-II/4 on the budget, financial arrangements and financial assistance).	204,000	0
<b>Total</b>		<b>649,085</b>	<b>307,790</b>

<sup>a</sup> All Parties to the Convention are listed, whether or not contributing to the trust fund.

<sup>b</sup> Shares are US\$ 1,000 in value.

Table A.2

**Income to the Convention's trust fund by date**

(in United States dollars)

<i>Date</i>	<i>Party</i>	<i>Amount received in original currency</i>	<i>Income</i>
2014			
May	Slovenia	USD 3,000	3,000
May	Croatia	USD 3,000	3,000
May	Netherlands	EUR 48,000	66,391
June	Switzerland	CHF 25,000	27,840
June	France	EUR 10,000	13,605
July	Switzerland	CHF 20,000	22,346
July	Estonia	EUR 1,000	1,359
November	Armenia	USD 1,000	1,000
December	Lithuania	USD 2,988	2,988
December	Bulgaria	USD 8,000	8,000
December	Austria	USD 6,000	6,000
December	Czech Republic	USD 5,000	5,000
December	Norway	NOK 745,557	102,609
December	Cyprus	USD 1,000	1,000
December	Serbia	USD 1,200	1,200
December	Germany	USD 15,000	15,000
December	Romania	USD 5,000	5,000
December	Italy	EURO 10,000	11,765
December	Belgium (Flanders)	USD 10,687	10,687
<b>Total</b>			<b>307,790</b>



Table A.3

**Expenditure from the Convention's trust fund on budgeted activities**

(in United States dollars)

<i>Index</i>	<i>Activity</i>	<i>Priority</i>	<i>Sub-activity</i>	<i>Type of expenditure</i>	<i>Expenditure<sup>a</sup></i>
1	Seventh session of the Meeting 2 of the Parties to the Convention and the third session of the Meeting of the Parties to the Convention serving as the Meeting of the Parties to the Protocol, Ukraine			Participation of countries with economies in transition (CITs) Participation of non- governmental organizations Invited speakers Participation of non-UNECE countries	- - - -
<b>(a)</b>	<b>Total for activity</b>				<b>-</b>
2.1	Meetings of the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment, Geneva	2	Fourth meeting, 26-28 May 2015	Participation of CITs Participation of non- governmental organizations Participation of non-UNECE countries	- - -
2.2			Fifth meeting, April/May 2016	Participation of CITs Participation of non- governmental organizations Participation of non-UNECE countries	- - -
2.3			Sixth meeting, October/November 2016	Participation of CITs Participation of non- governmental organizations Participation of non-UNECE countries	- - -
<b>(b)</b>	<b>Total for activity</b>				<b>-</b>
3.1	Bureau meetings (free standing)	2	First meeting, 5-6 February 2015	Participation of CITs (Bureau members)	4,560
3.2			Second meeting, January/February 2016		-
3.3			Third meeting, October/November 2016		-
3.4			Fourth meeting, January/February 2017		-
<b>(c)</b>	<b>Total for activity</b>				<b>4,560</b>
4.1	Meetings of the Implementation Committee	2	Thirty-first session, 2-4 September 2014	Participation of CITs (Committee members)	5,654
4.2			Thirty-second session, 9-11 December 2014		5,434
4.3			Thirty-third session, 17-19 March 2015		-
4.4			Thirty-fourth session, 23-25 November 2015 (or 8-10 December 2015)		-
4.5			Thirty-fifth session, March 2016		-
4.6			Thirty-sixth session, September 2016		-
4.7			Thirty-seventh session, December 2016		-
4.8			Thirty-eighth session, February 2017		-
<b>(d)</b>	<b>Total for activity</b>				<b>11,088</b>
5	Informal translations of informal papers for meetings listed above	2			-

<i>Index</i>	<i>Activity</i>	<i>Priority</i>	<i>Sub-activity</i>	<i>Type of expenditure</i>	<i>Expenditure<sup>a</sup></i>
<b>(e)</b>	<b>Total for activity</b>				<b>-</b>
6	Promotion of contacts with countries outside the ECE region (with reporting of results to Working Group)	2		Travel and DSA of the secretariat and Chair	-
<b>(f)</b>	<b>Total for activity</b>				<b>-</b>
7.1	External expert to provide secretariat support for the implementation of the Convention and the Protocol		Year 2014 (June - December)	Extrabudgetary post	41,429
7.2			Year 2015	Extrabudgetary post	
7.3			Year 2016	Extrabudgetary post	
7.4			Year 2017 (January - May)	Extrabudgetary post	
<b>(g)</b>	<b>Total for activity</b>				<b>41,429</b>
8.1	Further secretariat support (relating to accession/ratification as well, see workplan)	2	Consultants	(None)	4,020
8.2		2	Promotional materials	(None)	-
8.3		2	Secretariat travel in relation to the workplan	Secretariat travel and DSA (detailed in Table A.6)	1,255
<b>(h)</b>	<b>Total for activity</b>				<b>5,275</b>
9.1	Compliance with and implementation of Convention	2	Informal translations of submissions		-
9.2		1	Drafting of review of implementation		-
9.3		2	Drafting guidance related to nuclear energy		-
9.4		2	Country-specific performance reviews:		-
<b>(i)</b>	<b>Total for activity</b>				<b>-</b>
10	Exchange of good practices	2	Workshops or half-day seminars within meetings of the Working Group on:		
10.1			1. Post-project analysis, May 2015	Inkind and EaP Green	-
10.2			2. Global application of the Convention EIB May 2016	Inkind	
			3		
			4		
<b>(j)</b>	<b>Total for activity</b>				<b>-</b>
<b>(k)</b>	<b>Total budget as per decision VI/4-II/4 (Annex) (sum of (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h) + (i) + (j))</b>				
11	Carried forward activities				
11.1			Subregional cooperation workshop for the Mediterranean Sea (largely US\$ 20,000)		
11.2			Technical advice to the Russian Federation (contribution of 28,469 USD (Sweden))		7,077
11.3			Technical advice to Uzbekistan (28,474 USD (Switzerland)).		
<b>(l)</b>	<b>Total for activity</b>				<b>7,077</b>
<b>(m)</b>	<b>Total for all activities (k) + (l)</b>				<b>69,429</b>

<sup>a</sup> Expenditure in italics is estimated

Table A.4

**Expenditure from the Convention's trust fund on unbudgeted activities**

(in United States dollars)

<i>Index</i>	<i>Activity</i>	<i>Priority</i>	<i>Justification</i>	<i>Type of expenditure</i>	<i>Expenditure</i>
	NONE				
<b>Total for all activities</b>					-

Table A.5

**Promotion of contacts with countries outside the UNECE region: travel and subsistence allowances**

(in United States dollars)

<i>Index</i>	<i>Purpose of travel</i>	<i>Expenditure</i>
	(None)	
	<b>Activity total</b>	-

Table A.6

**Secretariat travel in relation to the workplan: travel and subsistence allowances**

(in United States dollars)

<i>Index</i>	<i>Purpose of travel</i>	<i>Expenditure</i>
8.3	Seventh Seminar on Cooperation on the EIA Convention in the Baltic Sea Region (6-7 November 2014)	1,255
<b>Activity total</b>		<b>1255.44</b>