

Decision VI/4–II/4

Decisions and the Declaration adopted jointly by the Meeting of the Parties to the Convention and the Meeting of the Parties to the Convention serving as the Meeting of the Parties to the Protocol

Budget, financial arrangements and financial assistance

The Meeting of the Parties to the Convention and the Meeting of the Parties to the Convention serving as the Meeting of the Parties to the Protocol, meeting in joint session,

Recalling decision V/10–I/10 of the Meeting of the Parties to the Convention, and the Meeting of the Parties to the Convention serving as the Meeting of the Parties to the Protocol on Strategic Environmental Assessment, on the budget, financial arrangements and financial assistance for the period up to the sixth session of the Meeting of the Parties to the Convention and the second session of the Meeting of the Parties to the Convention serving as the Meeting of the Parties to the Protocol,

Recognizing the wish of the Parties for a high degree of transparency and accountability,

Welcoming the biannual financial reports prepared by the secretariat since the fifth session of the Meeting of Parties to the Convention, with biannual reporting best addressing the schedule of the meetings of the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment, the Meeting of the Parties to the Convention and the Meeting of the Parties to the Convention serving as the Meeting of the Parties to the Protocol, as well as national budgeting cycles,

Recognizing with appreciation the contributions made in cash and in kind to the budget in the period between the fifth and sixth sessions of the Meetings of the Parties to the Convention, and between the first and second sessions of the Meeting of the Parties to the Convention serving as the Meeting of the Parties to the Protocol,

Seeking to facilitate the willingness of donor countries to make further contributions, as well as assisting financial and project management,

Believing that the Parties should be informed in a timely manner of the status of and developments in the financing of activities under the Convention and the Protocol,

Also believing that the financing of activities under the Convention and the Protocol should be distributed among as many Parties and non-Parties as possible,

Aware of the importance of wide participation by the Parties in activities under the Convention and the Protocol in order to ensure progress,

Aware also of the need to facilitate the participation of certain countries with economies in transition that may otherwise not be able to take part,

Recalling the amendment to the Convention (decision II/14 of the Meeting of the Parties to the Convention), which allows United Nations Member States not members of the United Nations Economic Commission for Europe (ECE) to accede to the Convention, and recalling article 23, paragraph 3, of the Protocol on Strategic Environmental Assessment, which allows United Nations Member States not members of ECE to accede to the Protocol,

1. *Establish* a scheme of financial contributions whereby Parties and Signatories to the Convention and to the Protocol would contribute each year an amount that they may choose to pledge on a voluntary basis, and also invite international financial institutions, as well as other stakeholders, to contribute;
2. *Agree* that, in line with paragraph 19, work will continue during the intersessional period to ensure that the financial arrangements and the financial strategy foster the effective implementation of the workplan;
3. *Confirm* for State Parties the system of shares endorsed by decision III/10 of the Meeting of the Parties to the Convention, whereby countries make contributions equivalent in value to a number of shares of the budget;¹
4. *Recognize* the commitment by the European Union to contribute 2.5 per cent of the total amount not covered by the United Nations regular budget for priority 1 activities of the workplan of the Convention and its Protocol and its intention to maintain its annual pledge of €50,000 towards the combined costs of the 2014–2017 workplan until that amount becomes less than 2.5 per cent of the total, while noting that this is subject to annual endorsement by the budgetary authorities of the European Union and is without prejudice to paragraph 1;
5. *Adopt* the financial strategy for carrying out the work under the Convention and the Protocol, given the financial constraints, as contained in annex II to this decision;
6. *Urge* 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;
7. *Strongly urge* Parties that have so far only committed limited funds or in-kind contributions to raise their contributions during the current and future budget cycle;
8. *Adopt* the report prepared by the secretariat on the budget and financial arrangements in the period since the fifth session of the Meeting of the Parties to the Convention and the first session of the Meeting of the Parties to the Convention serving as the Meeting of Parties to the Protocol (ECE/MP.EIA/2014/1–ECE/MP.EIA/SEA/2014/1);
9. *Decide* that activities under the workplan for the period up to the seventh session of the Meeting 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, which are included in the budget of the Convention and the Protocol for that same period, as set out in annex I to this decision, and which are not covered by the United Nations regular budget, should be covered by contributions of 1,100 shares of US\$ 1,000 each, of which 565 shares would cover the core (priority 1) requirements and 535 shares would cover the remaining non-core (priority 2) requirements;
10. *Agree* the budget of the Convention and its Protocol for the period up to the seventh session of the Meeting 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, as set out in annex I;
11. *Also agree* that contributions shall be allocated to the budgets of the individual items in the budget table contained in annex I, in the order of priority set for each item unless and to the extent that a contributor specifies that a contribution should be allocated to a particular item in the budget; where funds remain after the completion of such items, the surplus shall be transferred to the overall budget to be spent on the budget items in the order of priority set for each item;

¹ Language to be modified based on the agreement of the “financial scheme”.

12. *Request* that Parties seek to transfer their contributions to the ECE Trust Fund on Local Technical Cooperation under the Convention and the Protocol as early as possible in their budget year and, insofar as possible, contributions for a given calendar year should be made by the end of the preceding year so as to provide greater certainty for future financial and project management;

13. *Request* the secretariat to continue to prepare and submit to the Bureau biannual reports with a view to assisting in the preparation of the report to the seventh session of the Meeting 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, as requested in paragraph 17 below, and further request the Bureau to consider the biannual reports prepared by the secretariat and to agree their circulation to the Parties;

14. *Also request* the secretariat to include in the biannual reports information on the resources available (including in-kind contributions and United Nations programme support) and the expenditure on each item specified in the budget, as well as highlighting significant developments;

15. *Further request* the secretariat to provide Parties with timely reminders concerning outstanding pledges;

16. *Decide* that the Executive Secretary of ECE has authority, after consultations with the Bureau, to make adjustments to the budget, up to a maximum of 10 per cent, where such adjustments are necessary before the next meeting of Parties, and that Parties are promptly informed of such adjustments;

17. *Request* the secretariat, in accordance with the financial rules of the United Nations, to monitor the expenditure of the funds and to prepare a report for the next meeting of the Parties, based on the information contained in the biannual reports and giving a clear indication of the significant developments during the period in order that Parties can best meet future demands for resources under the Convention and its Protocol;

18. *Request* the Executive Secretary of the ECE to seek additional staff funded by the regular budget of the United Nations to provide long-term and stable secretariat functions;

19. *Decide* that the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment shall prepare a further draft decision on financial arrangements for adoption at the seventh session of the Meeting 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, based on experience gained in the meantime under the financial arrangements adopted by this meeting;

20. *Call upon* countries with economies in transition to finance to the extent possible their own participation in the activities under the Convention and its Protocol in order to ensure that the limited funds available are used efficiently;

21. *Urge* Parties and encourage non-Parties and relevant international organizations to contribute financial resources to enable countries with economies in transition and non-governmental organizations to participate in the meetings under the Convention and its Protocol;

22. *Decide* that securing proper staffing of the secretariat has priority above financial support to participants in formal meetings and that, among participants, priority should be given to representatives of Parties, then of non-Parties and then of non-governmental organizations;

23. *Recommend* that the Convention and its Protocol should apply the guiding criteria established and periodically updated by the Committee on Environmental Policy for financial assistance to support the participation of experts and representatives from countries with economies in transition in meetings and workshops organized within the framework of the Convention and its Protocol and other relevant activities, depending upon the availability of funds for this purpose;

24. *Request* the secretariat to grant, subject to the availability of funds for this purpose, in accordance with the budget decided by the Meeting of the Parties, financial assistance to designated experts from non-governmental organizations identified by the Bureau for their participation in meetings under the Convention and under the Protocol, unless otherwise decided by the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment;

25. *Decide* that the Bureau shall, depending on the availability of funding for this purpose, in accordance with the budget decided by the Meeting of the Parties, and subject to priority being given to funding the workplan, examine requests for possible financial assistance for the participation by representatives and experts from States outside the ECE region in meetings under the Convention and its Protocol.

Annex I

Budget for the implementation of the Convention and its Protocol for the period up to the seventh session of the Meeting 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, for activities to be funded from the Convention trust fund or by in-kind contributions

<i>Activity</i>	<i>Priority</i>	<i>Notes/sub-activities</i>	<i>Unit</i>	<i>Cost per item per unit (shares)</i>	<i>Cost per unit (shares)</i>	<i>Number of units over three years</i>	<i>Total cost over three years (shares)</i>
Organizational activities (with most meetings taking place in Geneva)							
Seventh session of the Meeting 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	2	Participation of countries with economies in transition (CITs)	Meeting	30			
	2	Participation of non-governmental organizations		20			
	2	Invited speakers		15			
	2	Participation of non-ECE countries		15	80	1	80
Meetings of the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment	2	Participation of CITs	Meeting	20			
	2	Participation of non-governmental organizations		10			
	2	Participation of non-ECE countries		5	35	3	105
Bureau meetings (free standing)	2	Participation of CITs (Bureau members)	Meeting	—	5	4	20
Meetings of the Implementation Committee	2	Participation of CITs (Committee members)	Meeting	—	5	8	40
Informal translations of informal papers for meetings listed above	2		Meeting	—	5	6	30
Promotion of contacts with countries outside the ECE region (with reporting of results to Working Group)	2	Travel of secretariat and Chair	Mission	—	5	5	25
External expert to provide secretariat support for the implementation of the Convention and the Protocol ^d	1	External expert (United Nations Standard Salary Cost, including net salary, taxes and common staff costs)	Year	—	180	3	540
Further secretariat support for the implementation of the Convention and the Protocol	2	Consultants	Year	15			
	2	Promotional materials		5			
	2	Secretariat travel in relation to the workplan		20	40	3	120
Subtotal (organizational)							960

<i>Activity</i>	<i>Priority</i>	<i>Notes/sub-activities</i>	<i>Unit</i>	<i>Cost per item per unit (shares)</i>	<i>Cost per unit (shares)</i>	<i>Number of units over three years</i>	<i>Total cost over three years (shares)</i>
Substantive activities (see corresponding workplan for details)							
Compliance with and implementation of the Convention and the Protocol	2	Informal translations of submissions		—	—	—	10
	1	Drafting of reviews of implementation					25
	2	Drafting guidance related to nuclear energy	Consultant	—	—	—	15
	2	Country-specific performance reviews	Review	—	25	2	50
Exchange of good practices	2	Workshops or half-day seminars	Seminar	—	10	4	40
Subtotal (substantive activities)							165
Grand total (in shares, 1 share = \$1 000)							1 100

^a Full time staff member at the P-3 level to support the secretariat to fulfil its functions as required by the Convention and the Protocol, including notably regarding the review of implementation and compliance under the Convention and the Protocol, capacity-building and maintenance of the website. The external expert is required to supplement the secretariat staff funded through the United Nations regular budget, which currently comprises one staff member at the P-4 level and, as of April 2014, 40 per cent of a (support) staff member at the G-5 level.

Annex II

Financial strategy

I. Introduction

1. The financial strategy set out in the present document has been prepared further to decision V/10–I/10 on budget, financial arrangements and financial assistance of 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 serving as Meeting of the Parties to the Protocol on Strategic Environmental Assessment (Protocol on SEA), requesting “the Bureau, possibly with the support of a small group, to develop a strategy for carrying out the work under the Convention and the Protocol given the financial constraints” (ECE/MP.EIA/15, para. 16).
2. The draft strategy was agreed by the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment, on the basis of a proposal prepared by the Bureau and with support from the secretariat.
3. The strategy draws also on the experience of the other United Nations Economic Commission for Europe (ECE) environmental conventions in developing sustainable extrabudgetary financial arrangements.

II. Objectives

4. The objectives of the financial strategy are:
 - (a) To establish the basis for preparing realistic intersessional workplans with defined resource requirements under the Convention and the Protocol;
 - (b) To ensure sufficient resources for covering the costs of activities that are not covered by the United Nations regular budget;²
 - (c) To improve the stability and predictability of the sources of funding;
 - (d) To maintain a funding scheme based on voluntary contributions that is transparent and open to all Parties and Signatories, and in addition invite international financial institutions and other stakeholders to contribute;
 - (e) To encourage all Parties and other stakeholders to support the implementation of the workplans.

² Regular budget (RB) resources of the ECE secretariat are made available to cover its core mandate, that is, to ensure the servicing of meetings of the governing bodies and key subsidiary groups. The level of the RB resources is determined by United Nations Member States through relevant decisions in the Fifth Committee (with responsibilities for administration and budgetary matters) and later in the General Assembly. The RB staff resources have remained constant in spite of the increase in the functions of the secretariat, e.g., with the entry into force of the Protocol on SEA, and the greater use of the compliance mechanism (Implementation Committee). Moreover, the RB resources are insufficient for activities that go beyond the core mandate (e.g., capacity-building), which, therefore, must be financed through extrabudgetary funds.

III. Elements of the financial strategy

A. Planning

5. The following elements should be taken into account when planning future activities and drafting budgets:

(a) The Meetings of the Parties, when deciding on the next intersessional workplan, should at the same time agree on the budget and ensure that sources of appropriate additional extrabudgetary resources are identified;

(b) The primary responsibility for securing the necessary resources to implement the workplan should lie with the Parties;

(c) Activities relevant for the implementation of the Convention for which no funding or no lead countries can be identified should not be included in the workplan upon its adoption but should be included on a separate waiting list until appropriate funding and lead countries are made available. The funding of the “wait-listed” activities should, however, be subject to reassessment by the Bureau based on possibly changed priorities, unless the donor contribution was earmarked for a specific activity on the waiting list;

(d) The draft workplans should indicate funding requirements/estimated costs (in United States dollars) for all the proposed activities;

(e) Extrabudgetary funds must be appropriate to cover not only the activities but also the staff — both professional staff and programme assistants — needed to implement them;

(f) The allocation of resources for the budget and intersessional workplan items should be based on agreed priorities.

B. Contributions to the trust fund

6. To ensure sustainable funding of the activities and an equitable and proportionate distribution of the financial burden among the Parties and the Signatories, the system of voluntary financial contributions, based upon a system of shares, established by decision III/10 of the Meeting of the Parties to the Convention, is maintained, whereby Parties to the Convention and the Protocol as well as Signatory States, other countries, international and regional organizations, international financial institutions and non-governmental organizations (NGOs) may choose to make contributions equivalent in value to a number of shares of the budget.

7. To improve the sustainable availability and predictability of the extrabudgetary funding for the activities under the Convention and the Protocol:

(a) Insofar as possible, and subject to the internal budgetary procedures of the Parties, contributions for a given calendar year should be made by the end of the preceding year, so as to secure staff costs for the smooth functioning of the secretariat, as a priority, and the timely and effective implementation of the activities;

(b) Financial contributions should preferably be made towards the overall implementation of the workplan, but could also be earmarked for a particular activity;

(c) To the extent possible, the financial contributions to the trust fund under the Convention should be “unconditional”, that is, they should be provided without signed agreements or other exchange of written communication, other than written requests for payment, and requiring no specific financial or substantive

reporting by the secretariat on their use other than that provided in the biannual financial reports produced by the secretariat;

(d) The secretariat should write to Parties to encourage further pledges and timely financial contributions. The letters should be sent out not later than 90 days before the session of the Meeting of the Parties and at the end of each subsequent calendar year of the intersessional period. The letters should also make reference to the available information on ongoing activities under the Convention and its Protocol and the status of the paid contributions.

C. In-kind contributions

8. In addition to extrabudgetary financial contributions to the trust fund under the Convention, Parties as well as Signatories, other ECE and non-ECE countries, international and regional organizations, international financial institutions and NGOs should be encouraged to make in-kind contributions. These could include:

(a) Covering the cost of services linked to workplan activities (provision of expertise, organization of a meeting, publication of results, etc.);

(b) Funding directly the participation of representatives of countries with economies in transition and the secretariat, rather than through contributions to the trust fund;

(c) Providing financial support for representatives of States outside the ECE region that they wished to participate in activities or meetings;

(d) Provision of leadership and expertise within the subsidiary bodies under the Convention and the Protocol.

9. Parties should also be encouraged to provide human resources for the implementation of the activities by the Convention secretariat, for example through providing a junior or associate expert.³

D. Expenditure from the trust fund

10. The contributions should continue to be allocated to the budgets of the individual items of expenditure in the order of priority set for each item, as decided on by the Meeting of the Parties. In addition to this:

(a) Subject to the availability of financial resources, support to representatives of States outside the ECE region can be provided only if such representatives would draw clear benefits from their participation, such as attendance at a workshop and contribution to relevant discussions;

(b) Financial support for States neighbouring the ECE region should be prioritized over other States outside the ECE region;

(c) Savings could be made by reducing the number of printed items and moving to electronic publications, as well as by reducing the length of printed documents.

E. Expenditure from the regular budget

11. Savings from the regular budget should be made, including through:

³ Parties that have a junior professional officer programme may wish to consider providing an associate expert. These are typically young professionals with a university degree in an appropriate discipline and a few years of professional experience that are made available to a receiving international organization for a period of two to three years.

- (a) Continued reduction in the number of documents, their length and their translation;
- (b) Continued reduction in printing, with a move to electronic publications;
- (c) More even distribution of the meetings throughout the year.