



Economic and Social Council

Distr.: General
11 March 2013

Original: English

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
on Environmental Impact Assessment in
a Transboundary Context serving as the
Meeting of the Parties to the Protocol on
Strategic Environmental Assessment

Working Group on Environmental Impact Assessment and Strategic Environmental Assessment

Second meeting

Geneva, 27–30 May 2013

Item 8 of the provisional agenda

Budget, financial arrangements and financial assistance

Draft financial strategy

Note by the Bureau

I. Introduction

1. In its decision V/10–I/10 on budget, financial arrangements and financial assistance (ECE/MP.EIA/15), 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) requested “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” (para. 16).

2. At its first meeting (Geneva, 24–26 April 2012), the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment had before it an informal note prepared by the secretariat (ECE/MP.EIA/WG.2/2012/INF.10) on a draft financial strategy. It agreed that part IV of that note, setting out possible elements for the draft, could serve as a basis for the development by the Bureau of such a financial strategy.

A number of delegations also stressed that the activities under the Espoo Convention should continue to be financed on a voluntary basis.

3. The present note presents elements for a draft financial strategy, which the Bureau discussed at its meeting in Kyiv on 31 January and 1 February 2013 and agreed to submit for consideration by the Working Group at its second meeting. In addition to the informal note by the secretariat to the Working Group's first meeting, the Bureau decided that the document should draw on the experience of the other United Nations Economic Commission for Europe (ECE) environmental conventions in drafting sustainable extrabudgetary financial arrangements. These arrangements were presented at a joint meeting between the representatives of the governing bodies of the ECE environmental conventions and the Committee of Environmental Policy, held in Geneva on 27 February 2013. They included, for example, the sustainable financial mechanism adopted in November 2012 by the Conference of the Parties to the Convention on the Transboundary Effects of Industrial Accidents (ECE/CP.TEIA/24, annex I) and proposals for financial arrangements being discussed under the Protocol on Pollutant Release and Transfer Registers to the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters.

4. The Working Group will be invited to consider the proposals presented in the document and to agree on the further development of the draft financial strategy.

II. Objectives

5. The objectives of a draft financial strategy are:

(a) To establish the basis for preparing predictable 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;¹

(c) To improve the stability and predictability of the sources of funding;

(d) To establish a voluntary scheme of contributions that is transparent and open to all Parties, Signatories and other States and organizations wishing to contribute;

(e) To encourage all Parties and other stakeholders to support the implementation of the workplans;

(f) To introduce arrangements based on the equitable and proportionate sharing of the burden among the Parties for financing of the workplan activities.

¹ 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. RB resources are not enough, therefore, for activities that go beyond the core mandate (workshops, capacity-building), which must be financed through extrabudgetary (XB) funds.

III. Elements of the financial strategy

A. Planning

6. 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) 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;

(c) The draft workplans should indicate funding requirements/estimated costs (in United States dollars) for all the proposed activities, for example US\$ 30,000 for the organization of a workshop or US\$ 2,200 for financing participation of one delegate from a country with an economy in transition in a meeting under the Convention or the Protocol;

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

(e) Activities for which no funding can be identified should not be included in the workplan upon its adoption, or should be included on a waiting list until appropriate funding is made available;

(f) The secretariat should not be tasked with fundraising, which takes up a significant amount of resources;

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

B. Income

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

(a) Financial contributions should be made towards the overall implementation of the workplan [or be earmarked for a particular activity];

(b) [The Bureau] [the secretariat] should write to Parties and other stakeholders to encourage further and timely financial contributions. Letters should be sent out after sessions of the Meeting of the Parties and/or at the beginning [end] of each calendar year. They should be addressed to all the Parties that have made pledges at the session, as well as to Parties that have so far not pledged or contributed to the trust fund;

(c) 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;

(d) Signatories, other ECE countries, the European Commission and international organizations should also be invited to provide extrabudgetary resources.

8. To ensure sustainable funding of the activities and an equitable and proportionate distribution of the financial burden among the Parties [and the Signatories], Parties should agree on a scheme for determining the amounts of extrabudgetary financial contributions.

To this end, the following three alternative schemes are proposed. The first two are voluntary and the third includes also a mandatory part:

(a) The suggested voluntary financial contributions for [all Parties and Signatories]/[all Parties]/[Parties that have not contributed or pledged or that had so far only committed limited funds or in-kind contributions] should be calculated based on the agreed budget for the Convention and the scale of assessments for the apportionment of the expenses of the United Nations, which reflects the economic strength of the countries.² Each Party would be encouraged to contribute each year, as a minimum, the amount derived from applying the adjusted scale of assessment. Letters should only be sent to those Parties that would be expected to contribute at least US\$ 1,000 [or US\$ 500] in line with this calculation;

(b) A voluntary scheme of contributions for Parties [and Signatories] should be established based on “classes of donors” as follows:

- (i) “Small” donors are expected to contribute US\$ 500–US\$ 5,000;
- (ii) “Medium” donors are expected to contribute US\$ 5,000–US\$ 30,000;
- (iii) “Large” donors are expected to contribute not less than US\$ 30,000;

(c) A hybrid scheme of contributions should be established, consisting of a compulsory part to finance a certain part of the budget (e.g., 30–40 per cent), and sharing of the remaining part of it (e.g., 60–70 per cent) on a voluntary basis by applying either the adjusted United Nations scale of assessments approach (scheme (a) above) or the “classes of donors” approach (scheme (b) above). For example, the EU contribution (through the European Commission) might be fixed at 2.5 per cent; State Parties with larger economies would contribute 2 per cent; medium-sized ones, 1 per cent; and smaller ones 0.5 per cent. The balance would then be shared between State Parties according to one of the two alternative voluntary schemes (a) or (b) above. This would in effect “flatten” the scale and ease the burden on the larger economies.

C. Expenditure from the trust fund

9. 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) Financial support to representatives of States outside the ECE region should be provided only if such representatives would draw clear benefits from their participation, such as attendance at a workshop or involvement in relevant discussions;

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

² In 2012 and 2013, when inviting contributions from Parties that had not pledged or contributed to the Convention trust fund, the Bureau agreed to using this method of calculation for suggesting that a specific amount be contributed. The annex to this document provides a calculation based on the United Nations scale of assessments for the apportionment of the expenses of the United Nations, adopted by the General Assembly on 24 December 2012 for 2013–2014. This is the basis for the national contributions to the regular budget to the United Nations. The scale of assessments has been adjusted (a) by considering only those States that are Parties to the Espoo Convention (the Parties account for 44.606 per cent of the total scale); and (b) by including a standard contribution from the European Union of 3.330 per cent.

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

D. In-kind contributions

10. In addition to the extrabudgetary contributions to be made in cash to the trust fund under the Convention, Parties [and Signatories] 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/or 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.

11. Parties should also be encouraged to provide human resources for the implementation of the activities in the Convention secretariat, for example through:

(a) A junior or associate expert;³

(b) Staff secondment.

E. Expenditure from the regular budget

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

(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.

³ Parties that have a junior professional officer (JPO) programme may wish to consider providing an associate expert. These are typically young professionals with 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.

Annex

An example of contributions to the Convention trust fund for 2014, based on the United Nations scale of assessments for 2013–2014^a

<i>Column A: Countries (Parties)</i>	<i>Column B: United Nations scale of assessments (percentage)</i>	<i>Column C: Adjusted United Nations scale of assessments (percentage)</i>	<i>Column D: Amount to be contributed for 2014 (US\$)</i>
Albania	0.010	0.024	272
Armenia	0.007	0.017	191
Austria	0.798	1.914	21 719
Azerbaijan	0.040	0.096	1 089
Belarus	0.056	0.134	1 524
Belgium	0.998	2.393	27 162
Bosnia and Herzegovina	0.017	0.041	463
Bulgaria	0.047	0.113	1 279
Canada	2.984	7.155	81 214
Croatia	0.126	0.302	3 429
Cyprus	0.047	0.113	1 279
Czech Republic	0.386	0.926	10 506
Denmark	0.675	1.619	18 371
Estonia	0.040	0.096	1 089
Finland	0.519	1.245	14 125
France	5.593	13.412	152 222
Germany	7.141	17.124	194 353
Greece	0.638	1.530	17 364
Hungary	0.266	0.638	7 240
Ireland	0.418	1.002	11 376
Italy	4.448	10.666	121 059
Kazakhstan	0.121	0.290	3 293
Kyrgyzstan	0.002	0.005	54
Latvia	0.047	0.113	1 279
Liechtenstein	0.009	0.022	245
Lithuania	0.073	0.175	1 987
Luxembourg	0.081	0.194	2 205
Malta	0.016	0.038	435
Montenegro	0.005	0.012	136
Netherlands	1.654	3.966	45 016

^a To be adjusted based on the new budget to be adopted for 2014–2017.

<i>Column A: Countries (Parties)</i>	<i>Column B: United Nations scale of assessments (percentage)</i>	<i>Column C: Adjusted United Nations scale of assessments (percentage)</i>	<i>Column D: Amount to be contributed for 2014 (US\$)</i>
Norway	0.851	2.041	23 161
Poland	0.921	2.208	25 066
Portugal	0.474	1.137	12 901
Republic of Moldova	0.003	0.007	82
Romania	0.226	0.542	6 151
Serbia	0.040	0.096	1 089
Slovakia	0.171	0.410	4 654
Slovenia	0.100	0.240	2 722
Spain	2.973	7.129	80 915
Sweden	0.960	2.302	26 128
Switzerland	1.047	2.511	28 496
The former Yugoslav Republic of Macedonia	0.008	0.019	218
Ukraine	0.099	0.237	2 694
United Kingdom of Great Britain and Northern Ireland	5.179	12.419	140 954
European Union		3.330	37 796
Total	40.310	100.000	1 135 000