

# Item 8. Financing

## Implementation of the Sustainable Financial Mechanism

**Franziska Hirsch**

**Secretary of the Industrial Accidents Convention  
Tenth meeting of the Conference of the Parties**

Geneva, 4-6 December 2018



**UNECE**

# Outline

1. Financing of activities under the Convention
2. Sustainable Financial Mechanism
3. Implementation
4. Good practices
5. Conclusion

# 1

## Financing of activities under the Convention

# 1

## Financing of activities under the Convention

### United Nations regular budget

finances:

- Rooms and interpretation for official meetings
- Official documentation and translation into official languages
- Facilities and administration
- 1.5 posts

### Extrabudgetary contributions by Parties finance:

- **Core activities** benefiting all Parties:
  - Outreach, awareness-raising and strategic partnerships
  - Facilitating implementation
  - Servicing intergovernmental bodies and expert groups
- **Non-core activities**, including assistance activities

### Including:

- Associated activity costs
- Travel of consultants, meeting participants, staff
- Funding for the participation of representatives from EECCA and SEE in meetings
- Extrabudgetary posts and consultancies (as per workplan requirements)

# 2

## Sustainable Financial Mechanism Recap

## Recap

- Adopted at the seventh meeting of the Conference of the Parties (Stockholm, 12-16 November 2012) – ECE/CP.TEIA/24, annex I
1. Refers to **extrabudgetary (XB) contributions** provided on a voluntary basis
  2. Objective: to establish and maintain the necessary financial foundations to **meet the long-term priorities and directions set out in the long-term strategy** – to be achieved through the **biennial workplans**
  3. Shall:
    - (a) Establish the basis for preparing predictable biennial workplans with defined resource requirements
    - (b) Introduce a share way for sharing the responsibility among all Parties
    - (c) Encourage all Parties and other stakeholders to support the implementation of the workplans
    - (d) Encourage those Parties having made previous significant contributions to continue their maintenance

# 2

## Sustainable Financial Mechanism

11. Parties, other ECE member countries, the European Commission, international organizations and industry are invited to provide XB resources for any workplan activity.

.....

12. The **primary responsibility for securing necessary resources needed to implement the workplans lies with the Parties**. The sustainability of the mechanism therefore requires the participation of **all** Parties in the implementation of workplan activities.

.....

14. **All Parties** are encouraged to provide resources for the implementation of the workplan activities and they are invited to consider contributions that reflect their **economic strength, or higher**.

## 24. Roles of the Parties, the CoP, the Bureau and the secretariat:

### (a) Parties:

- (i) Pledge or indicate, prior to the adoption of a biennial workplan, the level of annual voluntary financial and in-kind contributions
- (ii) Take an active part in ensuring additional contributions

### (b) Conference of the Parties:

- (i) Adopts the workplan
- (ii) Prioritizes activities

### (c) The Bureau:

- (i) Prepares an affordable workplan in accordance with the mechanism
- (ii) Actively encourages Parties to provide support at least at a level reflecting their economic strength
- (iii) Monitors the implementation of the workplan

### (d) Secretariat:

- (i) Implements and manages the workplan activities
- (ii) Supports the Bureau in preparing the workplan



# 3

## Sustainable Financial Mechanism Implementation since 2012

# 3 Sustainable Financial Mechanism: Contributions - for last 3 bienniums

*In USD, total for 2013-2014, 2015-2016 and 2017-2018*

| Party/country          | Financial contributions | Approximate value of main in-kind contributions |
|------------------------|-------------------------|---|
| Albania                | 2,143                   | -   |
| Austria                | 32,363                  | 8,500   |
| Azerbaijan             | -                       | 15,000  |
| Belarus                | -                       | 32,000  |
| Belgium                | 41,481                  | 50,000  |
| Bulgaria               | 4,200                   | -   |
| Bosnia and Herzegovina | -                       | 15,000  |
| Croatia                | 15,000                  | 15,000  |
| Czechia                | 65,720                  | 11,000  |
| Finland                | 72,437                  | -   |
| France                 | 182,921                 | -   |
| Georgia                | -                       | 30,000  |
| Germany                | 357,612                 | 899,400   |
| Greece                 | 1,099                   | -   |
| Hungary                | -                       | 51,500  |
| Lithuania              | 3,988                   | -   |
| Italy                  | 69,156                  | -   |
| Kyrgyzstan             | -                       | 2,500   |
| Netherlands            | 227,143                 | 67,000  |

# 3 Sustainable Financial Mechanism: Contributions - last 3 bienniums

*In USD, total for 2013-2014, 2015-2016 and 2017-2018*

| Party/country   | Financial contributions | Approximate value of main in-kind contributions |
|---|-------------------------|---|
| Norway  | 322,792                 | 15,000  |
| Poland  | 30,000                  | 13,000  |
| Republic of Moldova   | -                       | 5,000   |
| Romania   | 12,086                  | 5,000   |
| Russian Federation  | 269,392                 | 3,000   |
| Serbia  | 6,900                   | 17,000  |
| Slovenia  | 85,650                  | 90,700  |
| Sweden  | -                       | 68,500  |
| Switzerland   | 554,151                 | 91,736  |
| Tajikistan  | -                       | 2,000   |
| The former Yugoslav Republic of Macedonia                         | -                       | 15,000  |
| Ukraine   | -                       | 5,000   |
| United Kingdom of Great Britain and Northern Ireland              | -                       | 65,700  |
| European Union  | 252,094                 | 151,350   |
| Environment and Security Initiative (funding provided by Finland) | 7,668                   | -   |
| OSCE  | -                       | -   |
| <b>Total</b>  | <b>2,633,670</b>        | <b>1,744,886</b>                                |

# 3 Sustainable Financial Mechanism: Implementation

- **21 Parties contributing financially**
- **26 Parties contributing in-kind** (SFM, appendix)
- In addition: contributions by elected and nominated members of intergovernmental bodies
  
- Numerous **new financially contributing Parties:**

- Albania



- Azerbaijan

- Croatia



- Finland



- Lithuania

- Romania



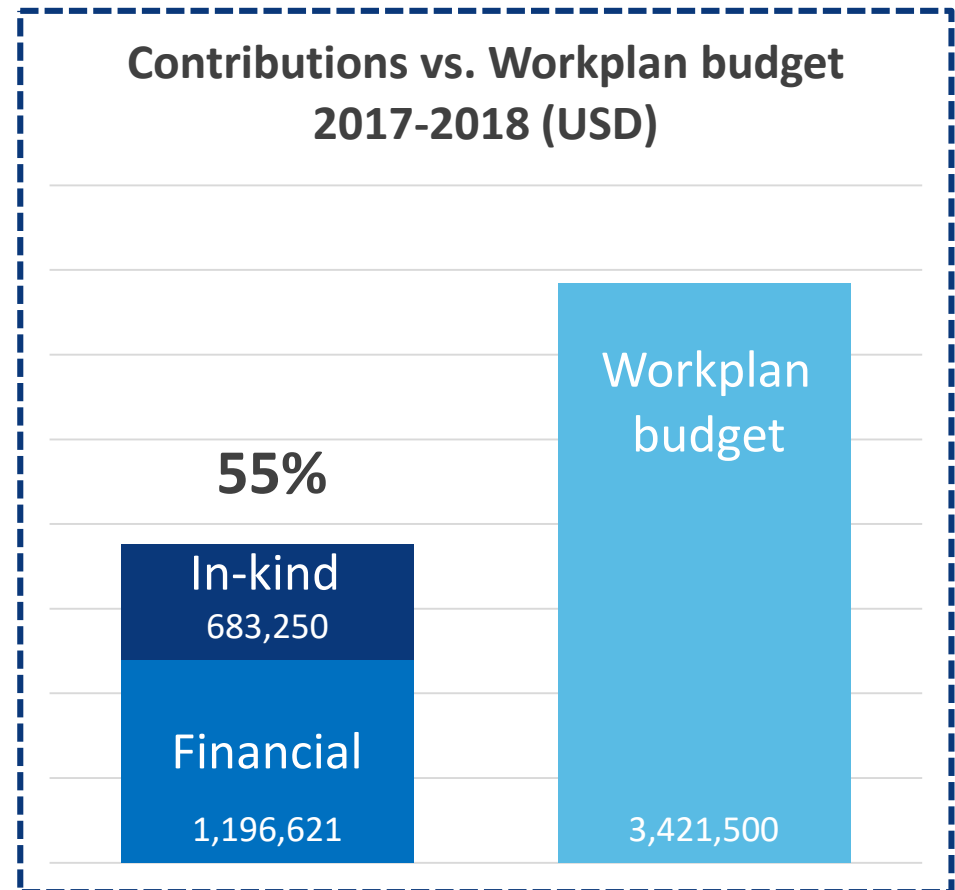
- Serbia

# 3

## Sustainable Financial Mechanism: Implementation

### Challenge:

- Total contributions received significantly lower than workplan budgets

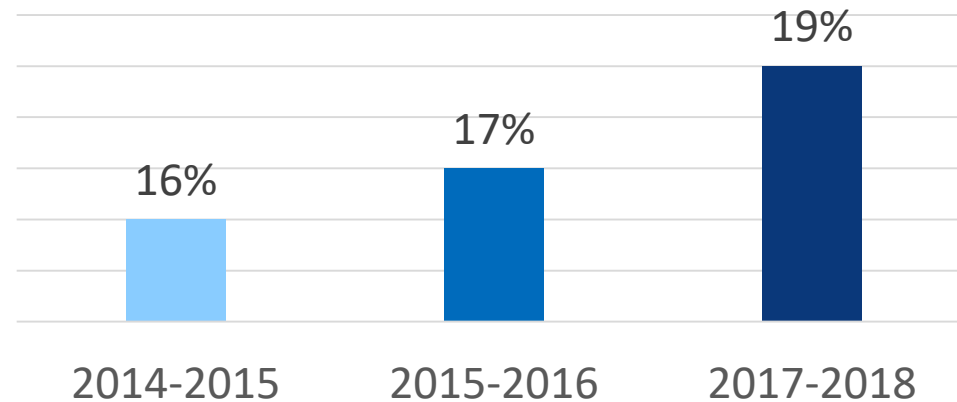


# 3

## Sustainable Financial Mechanism: Implementation

### Challenge:

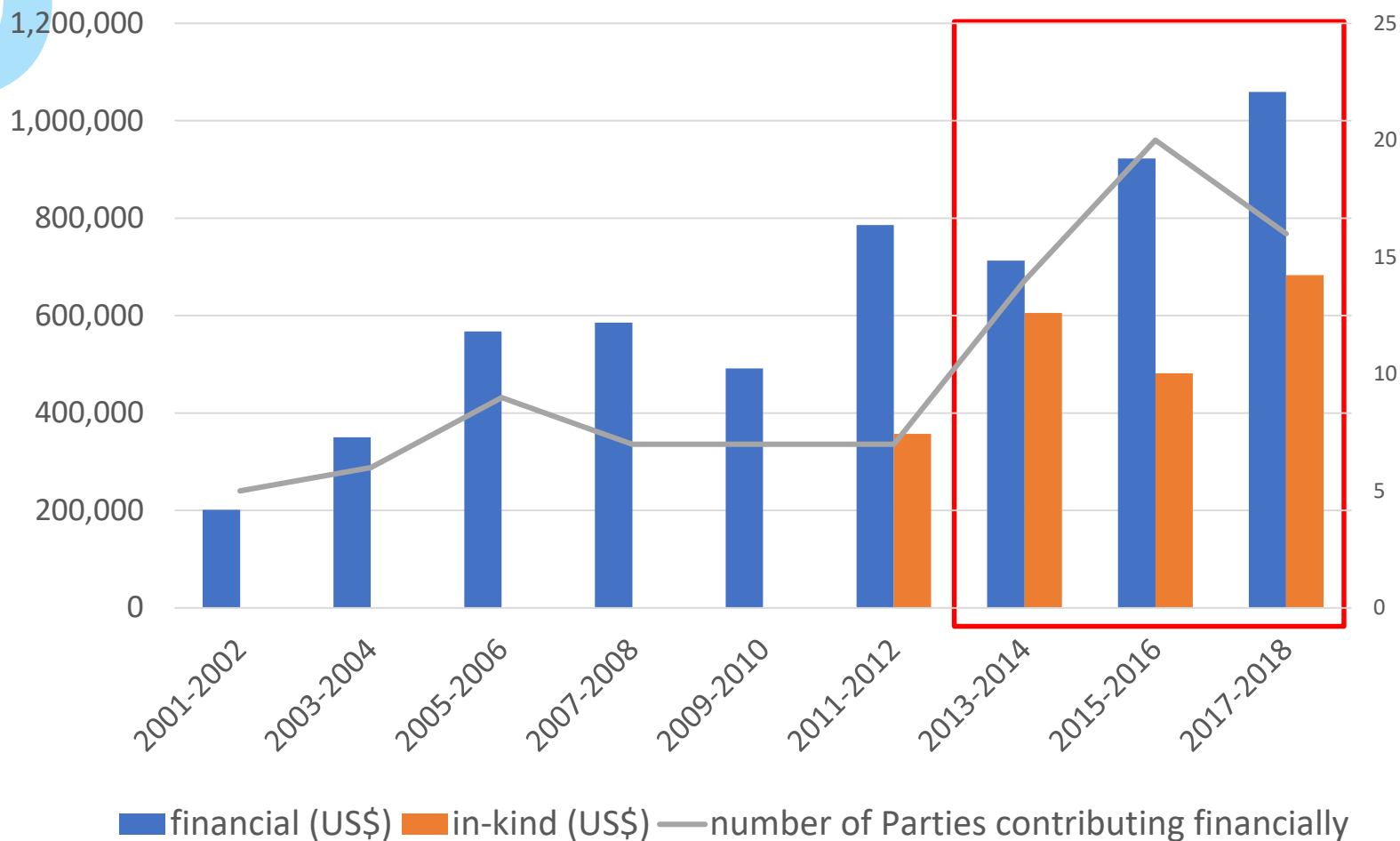
- Minor share of contributions of overall workplan budget pledged at CoPs:



- Incoming contributions late in the biennium, some based on secretariat follow-up  
→ **Lack of predictability** for workplan implementation

# 3

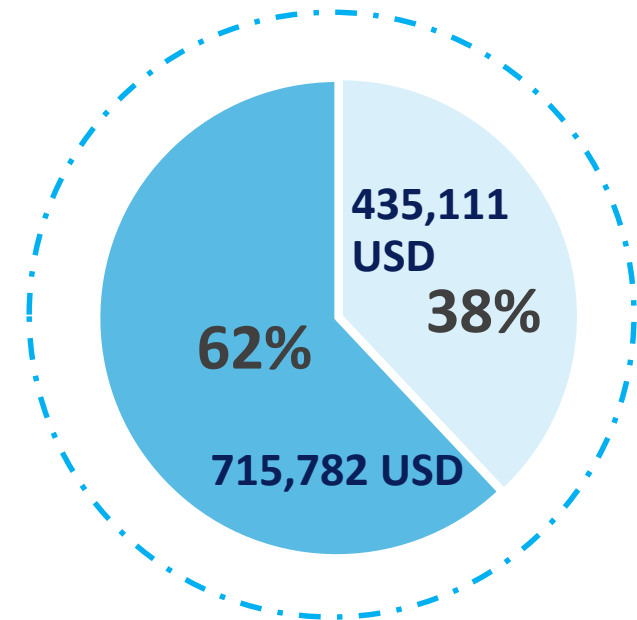
## Sustainable Financial Mechanism: Contributions over time



# 3 Sustainable Financial Mechanism: Implementation - Financial contributions

2017-2018

- General gradual increase of financial contributions over time
- Recent increases largely due to **additional multi-year project-related contributions** (Norway, Switzerland, Russian Federation, following project development and fundraising by the secretariat)



- Financial contributions for Projects
- Financial contributions other than Projects



# 3

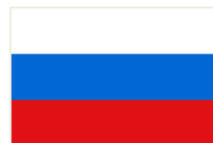
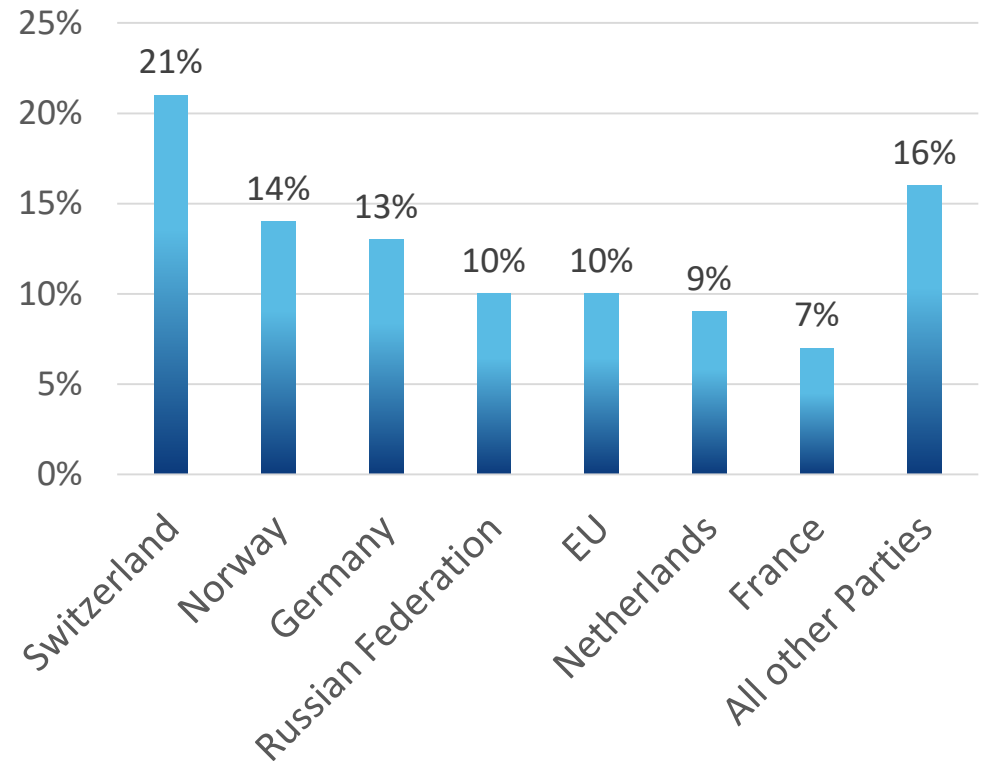
## Sustainable Financial Mechanism: Implementation

### Challenge:

Reliability on several major donors

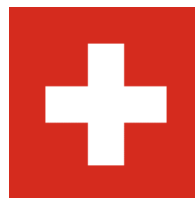
**84%** of financial contributions in last 3 bienniums provided by the **7 largest donors:**

- Switzerland
- Norway
- Germany
- Russian Federation
- EU
- Netherlands
- France



# 3 Sustainable Financial Mechanism: Implementation - in-kind contributions

- Increasing, different types:
  - Provision of expertise
  - Hosting of meetings
  - Printing of publications
  - Direct financing of activities
- Largest in-kind donors are mostly also among the larger financial donors:
  - Germany
  - European Union
  - Switzerland
  - Slovenia
  - Sweden
  - Netherlands



# 4

## Good practices

# 4 Good practices Financial contributions

- **Albania, Serbia:** Regular financial contributions considering economic strength
- **Belgium (government of Flanders):** Financing for participants from EECCA and SEE in Workshop on land-use planning and industrial safety (Mechelen, May 2018)
- **Czechia, European Union:** Regal pledges for annual contributions at CoPs
- **France, Poland, Netherlands:** Regular annual contributions
- **Norway:** Regular pledges and annual financial contribution and additional contribution for the 3-year Projects *Promotion of environmental protection and cooperation in the UNECE region*; early provision of funds
- **Switzerland:** Regular pledges and annual financial contribution and additional contribution for *Project to strengthen the safety of mining operations, in particular TMFs, in Kazakhstan and beyond in Central Asia*, early transfer of funds
- **Russian Federation:** Financial contribution for the 3-year Project «Strengthening Industrial Safety in Central Asia» (2016-2019), transfer of funds before Project start

# 4

## Good practices In-kind contributions

- **Belarus:** Hosting of sub-regional workshop for Caucasus and Eastern Europe on industrial accident prevention (Minsk, April 2017)
- **European Union/European Investment Bank:** Direct funding of consultancies on land-use planning/industrial safety
- **Germany:** Direct funding of assistance activities under the Convention's workplan
- **Germany and Hungary:** Organization and financing of transboundary exercises along rivers
- **Kyrgyzstan:** Hosting of national expert group meeting under *Project on Strengthening Industrial Safety in Central Asia* (Bishkek, May 2017)
- **Sweden:** In-kind printing of publications for the Industrial Accidents Convention

# 5 Conclusions

- 📄 **Good practices** exist and can inspire other Parties
- 📄 Need to enlarge the donor base
- 📄 Need to enhance **predictability** – more pledges at CoPs – and provision of contributions early
- 📄 **Additional contributions** later in the biennium, as they become available, are important and much appreciated
- 📄 Need to enhance **sustainability**:
  - Importance of continuity of donor engagement
  - Longer-term outlook of multi-year Projects
- 📄 Responsibility by **all Parties** for providing contributions and ensuring additional contributions