

Decision VIII/1–IV/1

Financial arrangements for 2021–2023

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 of the Parties to the Protocol), meeting in joint session,

Recalling decision VII/4–III/4 on the budget, financial arrangements and financial assistance for the period 2017–2020,

Recalling also decision VI/4–II/4, including the financial strategy contained in its annex II, while regretting the limited applicability of that strategy with regard to improving the funding for the Convention and its Protocol, as well as the predictability and the equitable distribution of the contributions,

Recognizing the wish of the Parties for a high degree of transparency and accountability regarding the status and developments in the financing of activities under the Convention and the Protocol,

Welcoming the annual financial reports prepared by the secretariat during the intersessional period 2017–2020,

Acknowledging with appreciation the contributions made in cash and in kind during that period,

Regretting, however, the insufficiency and unpredictability of the contributions, which were aggravated by the unfunded extension of the period by six months,

Regretting also that the financial burden remained unevenly distributed, with only a few Parties providing most of the funding and several Parties not contributing at all,

Affirming the need for all the Parties to ensure stable and sufficient financial and human resources for the implementation of the workplan of the Convention and its Protocol for the next intersessional period (2021–2023), adopted through decision VIII/2–IV/2,

Affirming also the necessity for each Party to take part in an equitable sharing of the workplan costs, and to contribute, to the extent possible, depending on its economic strength,

Aware of the importance of wide participation by the Parties in activities under the Convention and the Protocol in order to improve their effectiveness,

Aware also of the need to facilitate the participation, at the meetings and in activities under the Convention and the Protocol, of several countries with economies in transition that may otherwise not be able to take part,

Recalling article 23, paragraph 3, of the Protocol, which allows States Members of the United Nations not members of the United Nations Economic Commission for Europe (ECE) to accede to the Protocol, and also article 17, paragraph 3, of the Convention that will, in the near future, also allow for the accession of non-ECE member States to the Convention,

1. *Decide* on a financial scheme for funding the adopted workplans whereby all the Parties have a duty to contribute to the sharing of the costs that are not covered by the United Nations regular budget;

2. *Agree* that the financial scheme should be based on the following principles:

(a) Each Party should make a yearly or multi-year contribution to finance the implementation of the workplans;

(b) The Parties should pledge, well in advance of the adoption of the workplan and the budget by the Meetings of the Parties, their expected yearly or multi-year financial and in-kind contributions, to ensure that the workplans match the level of funding and to provide greater certainty for financial and project management;

(c) Regular yearly or multi-year contributions should be made in cash, and preferably not be earmarked for a particular activity but be made towards the overall implementation of the workplan, in order not to limit their allocation for the priority costs – additional contributions may be made in cash or in kind and may be earmarked for a particular activity;

(d) Contributions in cash should be made through the ECE trust fund for the Convention and its Protocol, against payment requests to be issued by the secretariat;

(e) Bearing in mind the administrative transaction costs of each payment, a single contribution should not be less than \$500;

(f) Insofar as possible, contributions for a given calendar year should be made by 1 October of the preceding year or, where this is not an option, it is recommended that contributions be made in the first six months of the calendar year, so as to secure the extension of the contracts of extrabudgetary secretariat staff, as a priority, for the smooth functioning of the secretariat and the timely and effective implementation of the workplan;

3. *Request* every Party to make yearly or multi-year contributions towards the financing of the workplan;

4. *Encourage* Parties to use various financial sources within the national budgets for their financial contributions;¹

5. *Invite* signatories, other interested States, organizations and international financial institutions to also contribute financially or in kind;

6. *Decide* to discontinue the system of shares endorsed by decision III/10 of the Meeting of the Parties to the Convention (where one share equalled \$1,000) and to indicate instead, in a more straightforward manner, the resource requirements and the countries' contributions in dollar values;

7. *Adopt* the report prepared by the secretariat on the budget and financial arrangements during the period 2017–2020 contained in document ECE/MP.EIA/2020/2–ECE/MP.EIA/SEA/2020/2;

8. *Decide* that activities under the workplan for 2021–2023 and the corresponding estimated resource requirements, as set out in, respectively, annexes I and II to decision VIII/2–IV/2, and which are not covered by the United Nations regular budget, are to be covered by Parties' contributions to the trust fund totalling \$1,589,910;

9. *Underline* the need for appropriate and stable staffing of the secretariat for the planning and delivery of activities by giving the highest priority to financing sufficient extrabudgetary secretariat staff to provide support for the Implementation Committee under the Convention and the Protocol;

10. *Agree* that, in accordance with the financial rules of the United Nations, the secretariat should allocate the required amount of contributions in the trust fund by 1 October of each year to secure extension of the contracts of extrabudgetary secretariat staff, as a priority;

11. *Request* the secretariat to provide Parties with timely reminders concerning outstanding pledges and possible arrears at the beginning of each year;

12. *Also request* the secretariat, in accordance with the financial rules of the United Nations, to:

¹ Ministries of foreign affairs and development cooperation agencies may be able to provide funding for capacity development and outreach activities in the workplan in countries eligible for official development assistance. The list of eligible countries is available on the website of the Organization for Economic Cooperation and Development at www.oecd.org/development/financing-sustainable-development/development-finance-standards/daclist.htm.

(a) Monitor the use of funds, and continue to prepare and submit to the Bureau annual financial reports and further request the Bureau to consider the reports and to agree to their publishing;

(b) Include in the reports information on the resources available (including in-kind contributions) and to highlight any arrears in the payment of Parties' regular contributions during the intersessional period;

(c) Prepare a report for the next sessions of the Meetings of the Parties, based on the information contained in the annual 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;

(d) If contributions of any Parties have not been received by 31 December of the relevant year, the secretariat should write to those Parties to impress upon them the importance of contributing;

13. *Request* the Bureau to continue to reflect on the previously presented possible solutions to the issue of the insufficiency, uneven distribution and unpredictability of contributions for the implementation of the workplan of the Convention and its Protocol in the intersessional period 2021–2023, considering also experiences of the other ECE multilateral environmental agreements, and to present the results to the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment in 2022 and to further submit them to the Meetings of the Parties in 2023;

14. *Request* the Working Group to consider, in the light of the annual reports, whether changes would be required to the content or time frame of the workplan, in the event that the level of contributions does not match the level of funding needed;

15. *Decide* that the Executive Secretary of ECE has the authority, after consultations with the Bureau, to make transfers between the main budget lines of up to a maximum of 10 per cent of the main budget line from which the transfer would be made, where such adjustments of the allocations are necessary before the next sessions of the Meetings of Parties, and that Parties must be promptly informed of such adjustments;

16. *Request* the Secretary of ECE to allocate more resources to support the work under the Convention and the Protocol, considering the balance in the use of regular budgetary resources in the different subprogrammes;

17. *Decide* that the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment should prepare a further draft decision on financial arrangements for adoption by the Meetings of the Parties to the Convention and the Protocol at their ninth and fifth sessions, respectively, based on the experience gained in the interim period under the financial arrangements adopted at the present joint session;

18. *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;

19. *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;

20. *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;

21. *Decide* that, contingent on the availability of funds for this purpose, financial support is to be provided for participation in formal meetings of representatives of non-governmental organizations and of developing and least-developed countries from outside

the ECE region, in accordance with the agreed budget and criteria to be set by the Bureau, and, for non-ECE countries, subject to a case-by-case examination by the Bureau;

22. *Agree* to review the operation of the financial scheme at the ninth and fourth sessions of the Meetings of the Parties to the Convention and the Protocol, respectively.
