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**WORLD HEALTH ORGANIZATION
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HIGH-LEVEL MEETING ON TRANSPORT,
HEALTH AND ENVIRONMENT

Steering Committee of the Transport, Health and
Environment Pan-European Programme (THE PEP)

Seventh session
Geneva, 22–23 October 2009
Item 7 of the provisional agenda

FINANCING OPTIONS FOR THE PEP

Note by the secretariat

I. INTRODUCTION

1. The Amsterdam Declaration, adopted by the Third High-level Meeting on Transport, Health and Environment (22–23 January 2009), contains a strong commitment by participating ministers and representatives of Member States to “...allocate the necessary financial and/or in-kind resources to ensure implementation of THE PEP workplan and its implementation mechanisms through a system of voluntary contributions, thus guaranteeing the sustainability of the mandated activities...”. THE PEP Steering Committee, in cooperation with THE PEP secretariat, was requested to prepare appropriate proposals (ECE/AC.21/SC/2009/2 - EUR/09/5086385/2, annex I).

2. In preparations for the Third High-level Meeting, at its ninth session (8–9 December 2008) the Bureau discussed possible options for the stable long-term financing of THE PEP and

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mechanisms to ensure sustained funding in light of the experiences made in the first five years of implementation of THE PEP. The need for a broader donor base was underlined and support was expressed for a possible contribution scheme based on gross domestic product (GDP) of Member States, as this would provide for a fair and clear mechanism to secure stable funding for THE PEP. Some Member States expressed their support for channelling donations through THE PEP Partnership, one of three implementation mechanisms adopted by the High-level Meeting. The Bureau also recognized that in some cases the funding rules of Member States made donations difficult if the funds were not clearly earmarked for a predetermined purpose. It also expressed concern that introducing a new system could jeopardize the current practice of voluntary donations, while recognizing that this practice had not provided the financial stability needed for an efficient and effective implementation of the work programme.

II. FINANCING IN THE PERIOD 2003–2008

3. Following the Second High-level Meeting in 2002, implementation of the adopted workplan for 2003–2008 was based on voluntary contributions made on an ad hoc basis by donor countries to either United Nations Economic Commission for Europe (UNECE) or the World Health Organization Regional Office for Europe (WHO/Europe). Detailed reports on the resources received and utilized during this five-year period have been prepared annually by THE PEP secretariat for approval by the Steering Committee.¹

4. While considerable financial and in-kind resources were made available during this period, particularly for the development of THE PEP Clearing House and projects on the economic valuation of transport-related health effects, these funds were been sufficient to implement all of the mandated activities of THE PEP workplan.²

5. In particular, it was not possible to provide the necessary steady resources to hire professional staff for the operation of THE PEP Clearing House and other projects. Considerable human resources had to be invested to actively raise funds, which sometimes resulted in delays and an inefficient use of time in project implementation. Furthermore, the aspired level of assistance to facilitate the participation of experts and policymakers from countries in Eastern Europe, Caucasus and Central Asia (EECCA) and South-Eastern Europe (SEE) in THE PEP workshops and other meetings could not be fully attained.

6. In addition to the contributions made by donors, UNECE and WHO/Europe, in line with their mandates and programmes of work, have made substantial budget allocations to administer THE PEP and its projects during the period 2003–2008. These resources were used: (a) to service all meetings of THE PEP Steering Committee and its Bureau (conference facilities, preparation, translation and reproduction of documentation, etc.); (b) to provide secretariat and technical support for the implementation of THE PEP workplan, particularly the organization of regional workshops; and (c) to operate THE PEP Clearing House in automatic mode.

¹ See documents ECE/AC.21/2004/7 - EUR/04/5045236/7; ECE/AC.21/2005/12 - EUR/05/5046203/12; ECE/AC.21/2006/8 - EUR/06/THEPEPST/8; ECE/AC.21/SC/2007/9 - EUR/07/5068055/9; ECE/AC.21/SC/2008/7 - EUR/08/5068055/7.

² Regarding THE PEP workplan for 2003–2008, see document ECE/AC.21/2002/9, annex I.

7. In 2005, a new financing mechanism in the form of shares was approved by the Steering Committee. This mechanism was intended to allow countries to subscribe annually to a number of THE PEP shares (values of US\$/€1,000 and 10,000), with the possibility of earmarking these contributions for specific or general support. To increase financial contributions and the number of donor countries³, the Steering Committee also requested the secretariat to prepare, on the basis of THE PEP workplan, project proposals for transmission, via official diplomatic channels, to Ministers of Transport, Health and Environment of UNECE and WHO/Europe Member States. The latest ministerial communication dates back to 31 July 2007.

8. Neither of these approaches has, however, led to an enlarged number of donors nor to a marked increase in available funds, even though a similar system of shares had worked well in the framework of the Convention on Access to Information, Public-Participation in Decision Making and Access to Justice in Environmental Matters (Aarhus Convention). One important difference from the Aarhus process is the lack of a mandatory legal basis for THE PEP, such as a multilateral agreement or convention, which makes it difficult to ensure regular and long-term commitments by participating member countries.⁴

9. Thus, during the period 2003–2008, the available resources from donors and from UNECE and WHO allowed for adequate operation of the institutional arrangements of THE PEP and ensured that the large majority of the mandated projects could be implemented. However, the often unpredictable timing and frequent earmarking of financial and in-kind contributions from donors made budgeting and the timely implementation of these projects a challenging endeavour, and had a negative impact on the effectiveness of the programme.

III. RESOURCE REQUIREMENTS (2009–2014)

10. As noted above, the Amsterdam Declaration commits UNECE and WHO/Europe Member States "...to allocate the necessary financial and/or in-kind resources...". As a system of mandatory contributions has not been accepted by Member States and would therefore not be revisited before the next High-level Meeting in 2014, the Committee may wish to consider other options. These include the types and minimum amounts of financial and/or in-kind resources required for (a) the operation of THE PEP statutory bodies and its secretariat and (b) the implementation of THE PEP workplan.

A. Resources for the Programme's statutory bodies and its secretariat

11. The Amsterdam Declaration calls on UNECE and the WHO Regional Office for Europe to continue to provide secretariat services to THE PEP. THE PEP secretariat consists of

³ Major extrabudgetary donors included Austria, Belgium, Finland, France, Germany, the Netherlands, Norway, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

⁴ It should be noted that the Amsterdam Declaration calls on the Steering Committee to revisit the question of whether a framework agreement would be an effective tool to implement THE PEP and attain the goals of the Declaration, and whether sufficient support from Member States would be forthcoming (ECE/AC21/SC/2009/7, paras. 19 and 20).

professional and general service staff of the Environment, Housing and Land Management Division and Transport Division of UNECE in Geneva and the WHO Regional Office for Europe in the European Centre for Environment and Health in Rome. The secretariat prepares and services the annual sessions of the Steering Committee and the meetings of its Bureau. It also ensures the required technical and substantive support for all activities undertaken, such as workshops and other events as well as the development of scientific tools, methodological guidance and capacity-building materials. This entails considerable costs that need to be met on a regular basis. The same holds true for the sustained operation of THE PEP Clearing House as the visible outpost and communication platform of THE PEP at the pan-European level.

12. For its part, UNECE currently covers a considerable part of these costs from its regular budget, as Member States have included THE PEP in the work programmes of the UNECE Inland Transport Committee and Committee on Environmental Policy. Secretariat support for THE PEP is likely to continue from the UNECE side, including the preparation, translation and processing of documentation and the hosting of meetings of the Steering Committee at the Palais des Nations in Geneva every second year. However, it cannot be excluded that the current financial and economic crisis may affect the planned UNECE budgets in this respect as of 2010.

13. With regard to WHO/Europe, the provision of secretariat services for THE PEP and the hosting of the meetings of the Steering Committee and of its Bureau at WHO headquarters in Geneva every second year are expected to continue. The support is based mostly on voluntary contributions that the WHO/Europe can direct towards its work in THE PEP secretariat, which cover part of the human resource needs and, to a more limited extent, regular budget resources. It cannot be excluded, however, that the current financial and economic crisis may also affect the planned WHO budgets of the Regional Office for Europe in this respect as of 2010.

14. In addition, regular resources are required to sustain the operation of THE PEP Clearing House, which, due to lack of financial means, is operated at present by UNECE in automatic mode only. While this reduces costs, it also considerably reduces the impact of the Clearing House and does not maximize its potential as an information centre and communication platform for THE PEP. Neither UNECE nor WHO/Europe are in a position to provide the professional staff required for the full operation of the Clearing House, i.e. annual resources in the order of \$168,000 to \$240,000, depending on the expertise required.⁵

B. Resources for implementation of workplan for 2009–2014

15. THE PEP workplan, together with its priority goals and measures for its implementation, are enshrined in the Amsterdam Declaration. Annex I of the Declaration also provides detailed work elements for its effective implementation. On the basis of these specifications, the secretariat has prepared concrete project proposals for THE PEP activities to be undertaken over the next few years (2009–2014) (ECE/AC.21/SC/2009/4 - EUR/09/5068055/4). The Steering Committee will discuss these projects at the present session, and on this basis may propose funding requests to Member States and other donors.

⁵ For details, see document ECE/AC.21/2005/10 - EUR/05/5046203/10.

16. At future sessions, the Committee may wish to review, fine-tune and adopt a comprehensive list of activities in need of funding that would make up THE PEP workplan for 2009–2014. This approach would allow countries and other donors to have, in one document, a complete overview of all THE PEP activities and projects planned for implementation up to 2014. It should thus facilitate planning of the budgetary requirements of donors in line with their internal budget cycles and administrative procedures.

C. Use of existing resources

1. Trust fund of United Nations Economic Commission for Europe

17. During 2008, expenditures incurred by UNECE for implementation of THE PEP were in the order of \$60,000 (rounded): \$48,879 was spent for the organization of the workshop on sustainable and healthy transport (Chisinau, 29–30 October 2008), \$8,014 for travel of staff and \$2,400 were needed for the annual license to operate THE PEP Clearing House search engine. Additional funds were spent on consultancy fees for the preparation of background documentation for the Third High-level Meeting on Transport, Health and Environment.

18. As of 1 July 2009, the total funds available in the THE PEP trust fund of UNECE amounted to \$145,000. This amount consists of (a) funds carried over from THE PEP work period 2003–2008 as reported in document ECE/AC.21/SC/2008/7 - EUR/08/5068055/7, (b) interest fees accrued in 2008, and (c) contributions made by Switzerland and Austria in late 2008 and early 2009, in the order of CHF 20,000 and €15,000, respectively.

19. Resources have been earmarked for the workshop on “Safe and Healthy Walking and Cycling in Urban Areas” (Prague, 24–25 September 2009), for the planned Regional Workshop on Sustainable Urban Transport (Skopje, late 2009 or early 2010), and for the participation of experts from EECCA countries in these events.

20. Expenditures are also budgeted for 2009 to facilitate the participation of delegations from EECCA countries in the Steering Committee’s seventh session (Geneva, 22–23 October 2009) and to cover mission costs of secretariat staff to attend statutory and substantive THE PEP meetings. Finally, expenditures are foreseen for the technical maintenance of THE PEP Clearing House and license fees for its search engine.

2. Resources available at World Health Organization Regional Office for Europe

21. During 2008, expenditures incurred by WHO/Europe for implementation of THE PEP were in the order of \$33,000. About \$12,500 was spent on the development of a background document for the Third High-level Meeting; \$6,200 was needed to support the attendance of EECCA participants in workshops and Bureau and Steering Committee meetings; and \$14,300 was spent for courtesy expenses and travel of staff.

22. As of 1 July 2009, the total funds available at WHO/Europe for THE PEP amounted to \$75,000. This amount consists of (a) funds carried over the previous workplan period as reported

in document ECE/AC.21/SC/2008/7 - EUR/08/5068055/7, and (b) a contribution made by Austria in late 2008 in the order of €40,000.

23. These funds have been earmarked for: (a) the development of the preparation of concrete proposals to establishment and operate THE PEP Partnership; (b) translations of contributions to the THE PEP Clearing House and THE PEP Toolbox into Russian; and (c) staff time for the provision of secretariat services for THE PEP. Only very limited resources are available to assist delegations from EECCA countries to participate in the Steering Committee's seventh session and to cover mission costs of the secretariat to attend the various statutory and substantive THE PEP meetings.

IV. FINANCING OPTIONS FOR 2009–2014

24. In view of past experiences and in line with the request of the Amsterdam Declaration to prepare appropriate proposals for a system of voluntary contributions, the Steering Committee may wish to consider the following options.

A. General financial support

25. Donors are invited to contribute in general to all activities and projects approved by the Steering Committee for implementation as part of THE PEP workplan. Donors could also decide to contribute to only one or several of the six work areas forming part of the workplan:

- (a) Develop a platform to attract and support investments in environment- and health-friendly transport;
- (b) Build capacity for better integration of transport, health and environment policy;
- (c) Share and disseminate good practice in environment- and health-friendly transport;
- (d) Facilitate the implementation of activities at the local, national and regional levels;
- (e) Support international advocacy and cooperation projects to promote best practice and an integrated approach to policymaking in transport, health and environment;
- (f) Enhance monitoring and reporting mechanisms for implementation.

26. The amount of such baseline contributions to support the implementation of THE PEP workplan could be left to the discretion and possibilities of the donors concerned.

27. Alternatively, such baseline contributions could be guided by a GDP-based system. To be effective, however, such a system would require that all or most participating UNECE and WHO/Europe Member States transmit an annual voluntary contribution in a timely manner.

B. Project financing

28. The established procedure used in the past to prepare short project proposals in line with THE PEP workplan would be pursued. Following approval by the Steering Committee, these projects could then be refined by the secretariat and circulated among potential donors for funding. Potential donors for these projects should not only be UNECE and WHO/Europe Member States, but could also include other stakeholders, such as intergovernmental and non-governmental organizations and other public authorities or industry groups, within the existing United Nations rules for collaboration with the private industry. At its annual sessions, the Steering Committee could review and update the list of activities.

29. Ideally, each project should be overseen by a lead country that would assist THE PEP secretariat to muster the required political support for the proper implementation of the project.

C. Financing of implementation mechanisms

30. Projects and activities in THE PEP workplan will be undertaken through THE PEP implementation mechanisms as stipulated in the Amsterdam Declaration. Funding provided to these implementation mechanisms would assist THE PEP secretariat to muster the necessary support for implementation of the projects. Timely contributions from Member States could:

- (a) Complement and support national processes for the development of national transport, health and environment action plans (NTHEAPs) to integrate transport, health and environment policies;
- (b) Assist countries in EECCA, with the organization of workshops or other events to disseminate knowledge and best practices under THE PEP *staffette* (relay races);
- (c) Support the development of tools, methods and capacity-building materials through THE PEP Partnerships, including for NTHEAPs;
- (d) Help to maintain the momentum achieved by the Third High-level Meeting.

D. Support for capacity-building in countries in Eastern Europe, Caucasus and Central Asia

31. Resources are also required to ensure the pan-European scope of THE PEP and to channel know-how and experience to all countries in the region. Regular participation of experts and policymakers from EECCA countries in all THE PEP projects, workshops and other activities, including statutory ones such as sessions of the Steering Committee and its Bureau, would certainly facilitate this endeavour. Donors could choose to earmark funds for these activities.

V. MONITORING AND REPORTING

32. Implementation of THE PEP workplan and its projects would be monitored by the Steering Committee and its Bureau. To this end, THE PEP secretariat would prepare, as in the

past, annual reports on all activities undertaken during the past year and would provide detailed accounts of all contributions received and funds spent.

VI. TRANSFER OF FINANCIAL RESOURCES

33. As in the past, all contributions made by donors should be transmitted to WHO/Europe and to UNECE. In general, resources made available through the UNECE trust fund would mainly support activities that have a strong transport and environment component. Funds promoting primarily health-related objectives could be directed to WHO/Europe. For administrative reasons, contributions for personnel, information technology infrastructure and other services related to THE PEP Clearing House should be made available to the UNECE trust fund.

34. Detailed bank and account information for the transfer of contributions to UNECE and WHO/Europe is contained in document ECE/AC.21/SC/2009/4 - EUR/09/5088363/4 and may be obtained from the joint UNECE/WHO secretariat.

VII. CONCLUSIONS AND FOLLOW-UP

35. The Committee may wish to consider and approve the proposals contained in the present note in effort to set up an effective system of financing the implementation of THE PEP workplan for 2009–2014.

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