



UNECE

Convention on the Transboundary Effects of Industrial Accidents

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Conference of the Parties
Geneva, 27-29 November 2024

Item 5. Financing

Implementation of the Sustainable Financial Mechanism

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Convention



1. Financing of activities under the Convention
2. Sustainable Financial Mechanism (SFM) and Decision 2018/2 fostering its implementation
3. Implementation
4. Good practices
5. Conclusion

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Financing of activities under the Convention

1 United Nations regular budget covers a **small part of the costs**:


- **Costs of official meetings in Geneva** (venue, Conference services, interpretation in E,F,R)
- Translation of mandated official documents (E, F,R)
- Some publications
- HR and Admin support from UNECE
- Facilities and administration
- **2 Regular Budget positions** (1 P, 1 GS)

Most of the Convention's budget is from **extrabudgetary resources**. It finances:

- **Cost of all Convention's workstreams and activities** as per the agreed workplans, comprising:
 - Servicing intergovernmental bodies and expert groups
 - General programme management
 - Communication, Outreach and awareness-raising
 - Assistance and Cooperation Programme

Including:

- Costs for the conduct of meetings (grants, meeting rooms, hospitality, interpretation, charges for UNDP's support, etc.)
- Funding for the participation of representatives from Eastern and South-Eastern Europe, the Caucasus and Central Asia
- Consultancies
- Travel of meeting participants, consultants, staff
- **Extrabudgetary posts (currently 4 P (3 P3, 1 P2) and 0.3-0.5 GS)** as per workplan requirements) along with costs for office space, IT equipment, etc.

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- **Two types of contributions:**
 - **Unearmarked contributions:** based on pledges by Parties or additional contributions confirmed during the biennium – normally with no (or little) separate reporting
 - **Earmarked contributions for Projects:** Parts of the workplan packaged as projects, often with separate agreement and mostly reporting obligations. *Such contributions have been provided for organizing meetings / seminars for member States, assistance activities and some for servicing expert groups (e.g. JEG)*
 - In the absence of a system of mandatory contribution, financing the workplan requires extensive fundraising, funds management and reporting.

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Sustainable Financial Mechanism and Decision 2018/2 fostering its implementation

Recap

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

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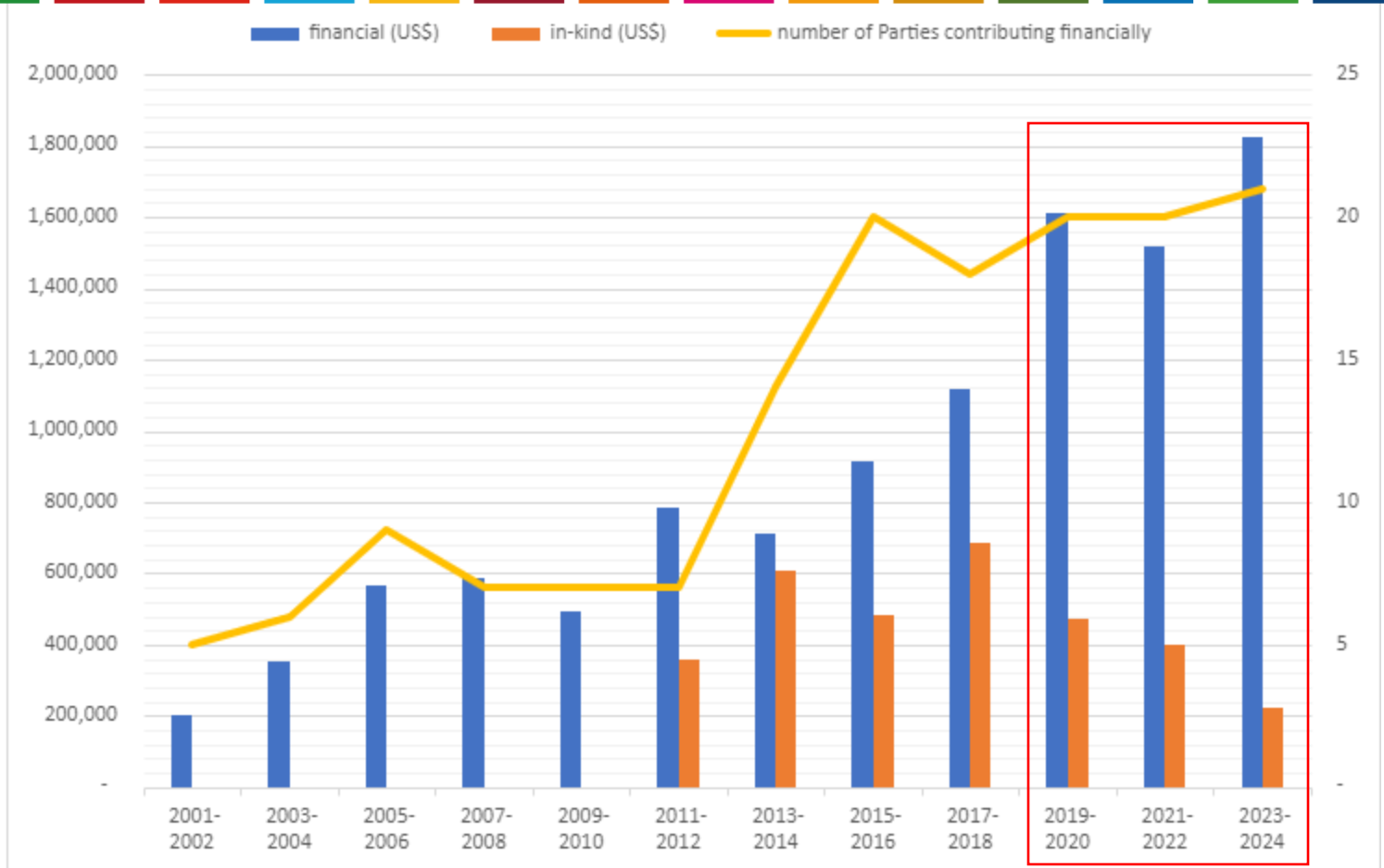
- *Urges all Parties* to contribute to the sustainable funding of activities and to **share the financial burden equitably and proportionately**
- *Encourages* the Parties to consider **making predictable, and preferably multi-year, sustainable funding pledges**, in accordance with the sustainable financial mechanism;
- *Encourages* Parties to consider making financial contributions for implementation of the Convention from **various financial sources within the national budgets**
- *Requests* that Parties make their contributions to the ECE Local Technical Cooperation Trust Fund under the Convention **as early as possible in their budget year** and *Recommends* that, where this is not an option, contributions be made during the **first quarter of the calendar year**
- *Encourages* Parties, when deciding on financial contributions, to bear in mind that **each payment carries an administrative transaction cost** and to consider making larger contributions, e.g. by **grouping payments or increasing their amount**

Sustainable Financial Mechanism and Decision 2018/2 Implementation

Spotlight: last 3 biennium, since adoption of long-term strategy
(6 years, 2019 – 2024)

Sustainable Financial Mechanism: Contributions over time

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Sustainable Financial Mechanism: Contributions -in the last 3 bienniums (2019-2024)

In USD, total for 2019-2020, 2021-2022 and 2023-2024


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✓ Contributing Parties (25 out of 42):

Austria	The Netherlands
Bulgaria	Norway
Croatia	Poland
Cyprus	Romania
Czechia	Russian Federation
European Union	Serbia
Finland	Slovakia
France	Slovenia
Germany	Sweden
Hungary	Switzerland
Italy	
Kazakhstan (2023 <i>pledge outstanding</i>)	
Lithuania	
The Republic of North Macedonia	
Montenegro	

☐ Non-contributing Parties (17 out of 42):

- Albania
- Armenia
- Azerbaijan
- Belarus
- Belgium
- Bosnia and Herzegovina
- Denmark
- Estonia
- Greece
- Latvia
- Luxembourg
- Monaco
- Portugal
- Republic of Moldova
- Spain
- Ukraine
- United Kingdom

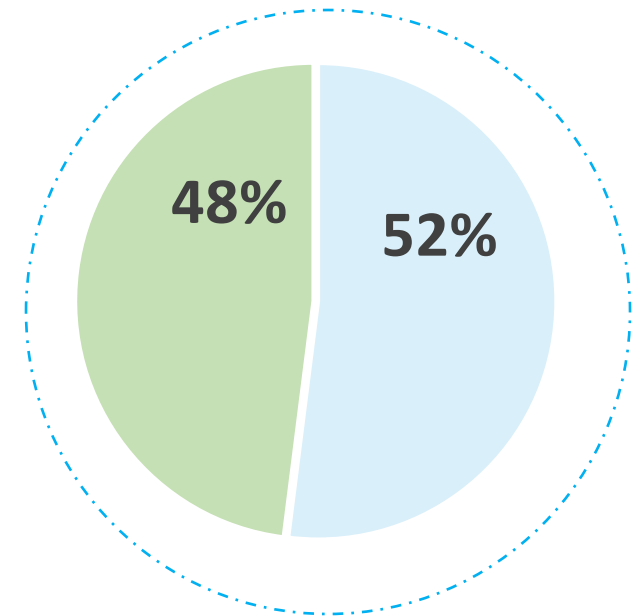
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- **Many thanks to all 25 Parties having contributed financially in past 3 bienniums**
 - **Still, 17 Parties having not yet contributed financially**
 - **Contributions** by Member States and partners **in-kind**, including:
 - Provision of consultancies (e.g. EIB)
 - Hosting of meetings, workshops and provision of meetings costs (e.g. GIZ)
 - Travel of secretariat (countries hosting Bureau meetings, partners)
 - Travel of participants (OSCE, GIZ)
 - Provision of expertise
 - In addition, indispensable contributions by **elected and nominated members of intergovernmental bodies (Bureau, Working Group on Implementation, Joint Expert Group on Water and Industrial Accidents)**, incl. through work of small groups

Sustainable Financial Mechanism: Implementation - Financial contributions

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- Unearmarked contributions, pledged during CoPs and additional communicated in inter-sessional period
- Earmarked contributions, incl for:
 - Multi-year projects and selected assistance activities
 - CoP organization (from Germany, Norway and France)
 - Travel of participants from EECCA/SEE to CoP and meetings
 - Joint Expert Group on Water and Industrial Accidents
 - Organizations of seminars (e.g. UN/OECD Seminar in follow-up to Beirut accident)

For 2019-2024, in USD



- Earmarked contributions
- Unearmarked contributions

3

9 (out of 22) Parties contributed around at, or above economic scale in biennium 2023-2024 (EU not considered)





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3 (out of 22) Parties contributing around two-thirds economic scale in biennium 2023-2024

- Bulgaria



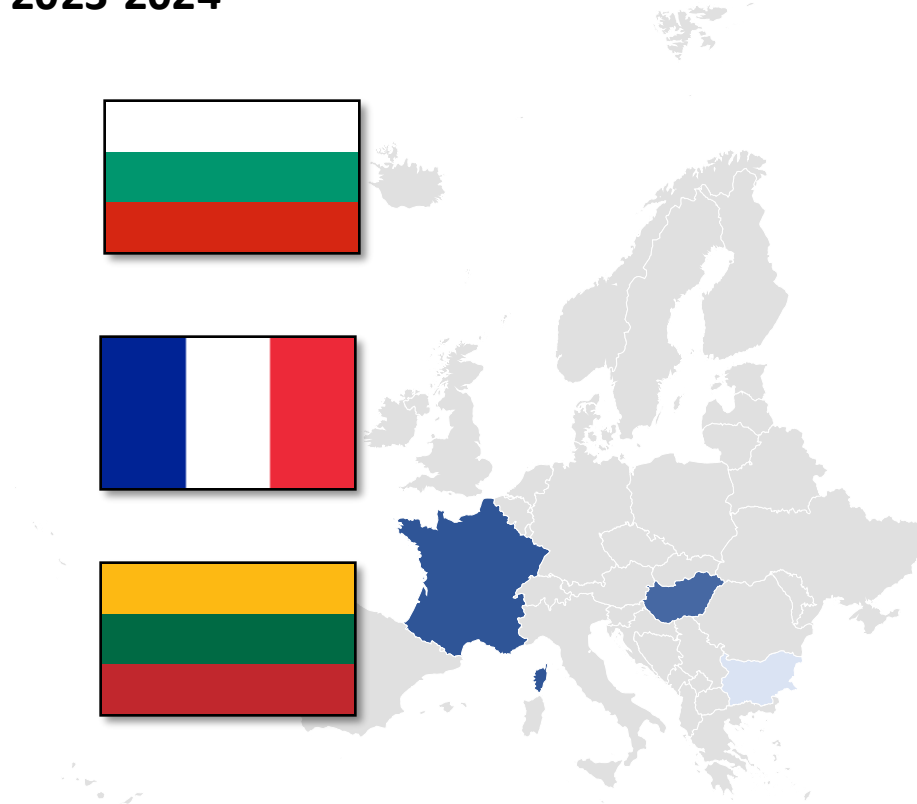
93%

- France



78%

- Lithuania



3 Few contributions at economic scale

Countries contributing between on third and one half economic strength in biennium 23-24 (6 out of 21, apart from the European Union)

- **Austria**



- **Italy**



- **Finland**



- **Hungary**



- **Romania**



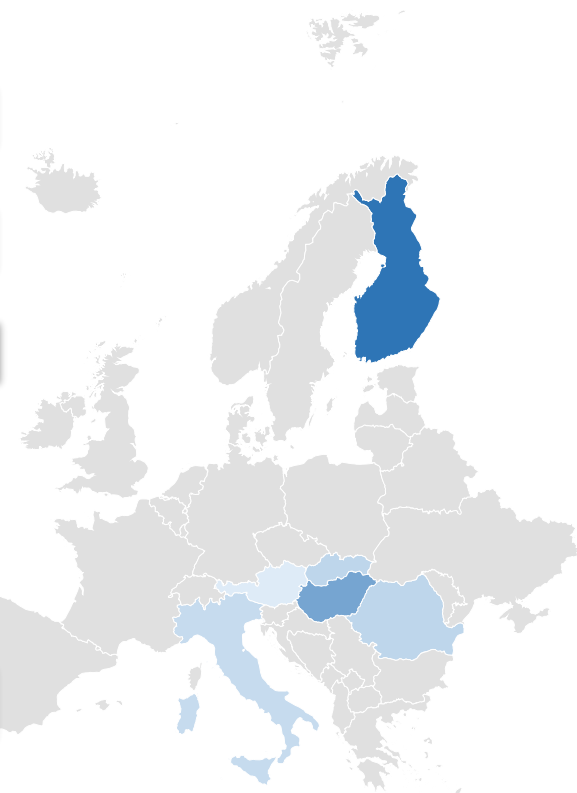
- **Slovakia**



% of country's economic scale

55%

33%





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Good practices

4 • **European Union:**

- **2 Project contributions** under Neighbourhood Policy, Cooperation and Development Instrument (NDICI), in addition to annual unearmarked contribution

• **France:**

- **Upscaled regular annual unearmarked contribution**
- **Additional contributions** to support implementation of long-term strategy (Natech and NPDs Serbia) and CoP-13 co-organization
- **Financing for participants from EECCA and SEE** in Impel seminar

• **Germany:**

- **Earmarked annual contributions** for Joint Expert Group
- **Earmarked biannual contributions** for EECCA & SEE engagement in CoPs
- **Earmarked regular contributions** for assistance missions (e.g. Georgia, Ukraine)

• **The Netherlands:**

- **Regular annual unearmarked contribution**
- **Additional earmarked contributions** to develop Guide of Good practices

4 • **Norway:**


- **Regular unearmarked contribution from Directorate of Civil Protection (DSB)** (previously earmarked)
- Additional contributions from DSB for CoP-organization, support to Ukraine (forthcoming)
- Additional contribution from **Ministry of Foreign Affairs** for the Project *Promotion of environmental protection and cooperation in the UNECE region spanning 2 3-year periods*


• **Russian Federation:**

- **Financial contribution for 2 Projects** benefiting in Central Asia to review and align legislation with Convention

• **Switzerland:**

- Regular annual contributions
- **Additional multi-year Project contributions from Swiss Federal Office for the Environment** to strengthen TMF safety in Kazakhstan, Tajikistan and Uzbekistan and across Central Asia
- Since this biennium, contribution from Swiss Agency for Development and Cooperation for Project in Uzbekistan to strengthen TMF safety and prevent accidental water pollution

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- **Austria:** Moved from annual contributions to contribution agreement for 3 years with yearly instalments
 - **Finland:**
 - 3 different Ministries provide financial contributions annually – Ministry of Foreign Affairs, Ministry of Environment, Ministry of Agriculture and Forestry and Finnish Environment Institute (SYKE)
 - **Luxembourg:**
 - In addition to regular annual unearmarked contribution, raised an additional contribution for 3 years (project, earmarked) using climate funds
 - **Slovenia:** MFA and Ministry of Natural Resources and Spatial Planning
 - **Switzerland:**
 - Moved from earmarked contribution (before 2022) to unearmarked contributions (from 2022), on the basis of [Targets for a more sustainable and predictable funding of the work under the Convention](#) (Decision IX/3)



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Conclusions

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- 📄 **Good practices** exist and can inspire other Parties
- 📄 **Need to enlarge the donor base:** bring on board the missing Parties and other relevant institutions from contributing Parties
- 📄 Parties are invited to consider opportunities to provide contributions in line with **economic scale**
- 📄 **Project contributions** are essential for funding the workplans and implementation of long-term strategy
- 📄 Importance of the early provision of funding for engagement / continuity of secretariat staff and activities



Thank you

**Secretariat of the Industrial Accidents
Convention**

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