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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
serving as the Meeting of the Parties
to the Protocol on Strategic
Environmental Assessment

**Working Group on Environmental Impact Assessment
and Strategic Environmental Assessment**

Eighth meeting

Geneva, 26–28 November 2019

Item 2 of the provisional agenda

Budget, financial arrangements and financial assistance

Bureau's proposals on the financing of the Convention and the Protocol

Note by the Bureau

I. Introduction

1. This note presents proposals on the financing of the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and the Protocol on Strategic Environmental Assessment (Protocol on SEA). They have been prepared by the Bureau, with support from the secretariat, for consideration of the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment at its eighth meeting.

2. As mandated by the Meetings of the Parties at their intermediary sessions (5-7 February 2019),¹ the Bureau considered measures for covering the costs of the unbudgeted extension of the intersessional period, i.e. between July and December 2020,² ensuring, as a minimum, the functioning of the secretariat during the additional six months. The costs of an external expert to provide secretariat support for the Convention and the Protocol in the second half of 2020, including to service the Implementation Committee and implement capacity building activities in Central Asia, amount to approximately \$100,000 (for six

¹ See ECE/MP.EIA/27–ECE/MP.EIA/SEA/11, para. 54.

² See the budget adopted by the Meetings of the Parties in June 2017 for a three-year period (July 2017-June 2020), in annex to decision VII/4-III/4 in ECE/MP.EIA/23/Add.1 –ECE/MP.EIA/SEA/7/Add.1)

months). The invitation to Parties to pledge additional funds at the intermediary sessions of the Meetings of the Parties, had resulted to only one additional pledge, from Romania of \$ 1,000. Consequently, all the other Parties were invited to make additional pledges that would be sufficient to cover the budgetary hole. Following the sessions, in addition to their initial pledges for the current intersessional period, Austria contributed an additional unpledged \$10,000 in March 2019, and Germany made an additional pledge of \$15,000, leaving an amount of approximately \$75,000 still to be covered.

3. During its discussions on the budgetary matters, the Bureau expressed serious concerns about the insufficiency of the funding and the overreliance on only a few main donors in general. It was particularly concerned about the scarcity of the secretariat staffing compared to the workload for servicing the Convention and the Protocol, which continued to increase from year to year, e.g. in terms of the use of the review of compliance mechanism, capacity building, resource mobilization and outreach activities, while the available resources remained the same since decades. (See annex II to the present document for more details on the evolution of the secretariat tasks vs. resources). That unsustainable development put the secretariat under a considerable strain that could, in absence of increased resources, lead to the need to cut some of the current services and activities. The Bureau considered essential to maintain sufficient and good quality secretariat support also in the future for the functioning of the treaty bodies and the implementation of the workplans. In addition, it pointed out that the funding requirements had to be reassessed taking into account the enlarged scope of the treaty application both in terms of the future widening of their geographical scope and global commitments, including Sustainable Development Goals and climate change prevention and mitigation.

4. Consequently, the Bureau agreed that Parties should be strongly invited to contribute more not only to address the six-month budgetary hole in the present intersessional period but also to tackle the general and longstanding scarcity of resources for the Convention and the Protocol that put at risk the functioning of the two treaties and their servicing by the secretariat. Parties should also address the continuous lack of predictability of the funding and the inherent vulnerabilities for the work programme delivery from a too narrow donor base for voluntary contributions. Currently, a reduction of funding or a complete withdrawal of one the only few main donors would stop key functions of the treaties and lead to laying off its staff. The Bureau's proposals for addressing the above are presented in the section II below for consideration of the Working Group.

5. The annex I to the present document illustrates how the Bureau's proposals could be presented in a draft decision to be submitted to the next sessions of the Meetings of the Parties, scheduled for 8-11 December 2020. The aim is to initiate the Working Group's preparation of a draft decision on financial arrangements for the next intersessional period 2021–2023, which it is to conclude at its ninth session (scheduled for 9-11 June 2020). The draft decision is based on the current decision VII/4–III/4 on budget, financial arrangements and financial assistance adopted by the Meetings of the Parties to the Convention and the Protocol at their seventh and third sessions, respectively (Minsk, June 2017). The proposed additional elements mostly reflect earlier discussions that took place under the two treaties in 2013 for the preparation of a draft financial strategy and a draft decision on budget for adoption of the Meetings of the Parties in 2014.³ The Bureau regretted that the outcomes of these efforts had not improved the financial situation.

³ See decision VI/4–II/4 and its annex II, ECE/MP.EIA/20/Add.3–ECE/MP.EIA/SEA/4/Add.3. See also draft decision VI/4–II/4 and draft financial strategy ECE/MP.EIA/WG.2/2013/L.2 and ECE/MP.EIA/WG.2/2013/INF.9 on additional information on financial schemes discussed by the Working Group at its 3rd meeting in November 2013.

6. To assist the Working Group in its deliberations, the annex II to the document includes information on the tasks and resources in the Espoo Convention secretariat as well on financial arrangements and staffing under other environmental conventions, in particular under the United Nations Economic Commission for Europe (ECE) Multilateral Environmental Agreements (MEAs). Most of the concerns related to resources are shared also by the other MEAs. Currently, however, the staffing of the secretariat to the Espoo Convention and its Protocol, is the smallest one for servicing two legal instruments.

7. Lastly, the annex III to the document provides indicative examples of the minimum amounts of contributions by Parties determined by applying the scale of assessment for the apportionment of the expenses of the United Nations that reflects the economic strength of countries,⁴ The scale has been adjusted to the number of Parties to the Convention. In absence of a draft budget for the next intersessional period 2021–2023, the table applies the scale to the agreed budget for the current period, and also presents figures for a budget increased with the costs of an additional extrabudgetary staff member.

II. Proposals for filling the budgetary hole of 6 months and improving the overall funding situation

8. This section proposes measures for addressing the lack of budget for the extended intersessional period of June-December 2020, and for achieving a more sustainable and equitably distributed funding of the two treaties during future budget cycles. The Working Group is invited to consider the Bureau's proposals and, to mandate the Bureau to finalize a draft decision VIII/4–III/4 on budget, financial arrangements and financial assistance in the light of the discussions, for consideration of the Working Group at its next meeting (June 2020), prior to its submission to the Meeting of the Parties next sessions, in December 2020.

9. The Bureau recommends that the Executive Secretary of ECE be again invited to send letters to Parties' foreign ministers and environment ministers in advance of the next sessions of the Meetings of the Parties in 2020, but possibly also in late 2019. The letters should strongly invite Parties to identify funding to cover the budgetary hole in the second half of 2020, and to increase the funding for the two treaties for the forthcoming intersessional periods. Not funding the extrabudgetary staff for the period July-December 2020 would clearly jeopardize the preparation and servicing of the sessions of the Meetings of the Parties in December 2020. The other elements to be included in the letters include the following:

(a) As of the next intersessional period, in order to sustain the support for the functioning of the treaties, the Bureau recommends inviting Parties to increase the budget and their level of contributions to cover the costs of one additional extrabudgetary staff member for the secretariat. In accordance with the applicable United Nations rules regulations, these costs would amount to approximately \$200,000 per annum, increasing the budget for the two treaties by some \$600,000 for a three-year intersessional period. To support the servicing of the treaties, Parties may also consider taking turns to sponsor a junior professional officer to join the secretariat on a temporary basis (usually foreign ministries of countries participating in the junior professional programme fund junior professionals to work in the UN organizations for a minimum period of 2 years) and to provide in-kind contributions. The letter should refer to a proposed budget for the next

⁴ In December 2018, the General Assembly adopted the scale of assessment for 2019-2021 through resolution 73/271.

period and justify its increase by the critical shortage of core resources in the secretariat, that put at risk its ability to provide essential core services. The additional staff is needed in particular for supporting activities under the Convention and the Protocol related to: the review of compliance and implementation; capacity building and the related fundraising in accordance with the workplan; advisory services; as well as awareness raising and outreach beyond the ECE region;

(b) Those Parties that have so far never, or not recently, contributed to the trust fund, should be urged to do so and all Parties be encouraged to raise their contributions during the current and future budget cycles;

(c) The letter(s) could also indicate to the Parties minimum amounts for their voluntary contributions based on the adjusted scale of assessment for the apportionment of the expenses of the United Nations (see also para 10 below);

(d) The letter(s) should also refer to the likely consequences of the non-payment, such as the reduction of some of the secretariat's "core" services to the treaties that represent key functions for the treaties (such as, general programme management, including trust fund management and staffing issues; convening, preparing, servicing and providing inputs to official meetings; supporting preparation of meeting documents and other deliverables; supporting the procedure for review of compliance; supporting Parties' reporting and review of implementation; informing and liaising with Parties, member States other relevant partner organizations and programmes within and outside the UN) and/or cutting of other additional secretariat's activities (e.g. support to the implementation of workplan activities, such as capacity building and technical assistance activities, development of implementation guidance and exchanging good practices; fund raising from and financial reporting to external sources; awareness raising and outreach to other regions; support to informal or ad hoc activities). In absence of additional funding, Parties should be invited to identify what services and activities could be cut to better match workload to workforce.

10. For the preparation of the next budgetary cycle (2021–2023), the Bureau invited the Working Group to again consider adopting various measures for a more sustainable, predictable and equitable funding for the Convention and its Protocol, including:

(a) Fixing indicative minimum amounts of Parties' (and Signatories') voluntary contributions and referring to these amounts in the financial request letters to the Governments. The minimum amounts should be determined by applying the scale of assessment for the apportionment of the expenses of the United Nations that reflects the economic strength of countries,⁵ after adjusting the scale to the number of Parties to the Convention (The actual amounts to be contributed can be calculated only based on the agreed budget for the next period. In the meantime, see annex III to the present document for purely indicative examples that illustrate the application of the scale). The application of the adjusted scale should not result to any Party contributing to more than 22 per cent of the budget to be agreed for the next intersessional period (2021–2023). Moreover, to avoid that those Parties that currently contribute more than their relative economic strength, decrease their contributions, the calculated amounts should be presented as indicative minimum contributions. Lastly, the Bureau recommended that no Party should contribute less than \$500 per year. That threshold amount for contributions corresponds to the smallest annual contribution currently transferred and is also justified by the administrative charges for each of the transactions. Consequently, it was proposed that the smallest amounts derived from

⁵ In December 2018, the General Assembly adopted the scale of assessment for 2019-2021 through resolution 73/271).

the application of the scale of assessment would be increased to \$500. Furthermore, to keep the administrative costs related to funds management at the minimum, and, insofar as possible, and subject to internal budgetary procedures of the Parties, Parties could consider, for example, grouping their annual contributions and making a multiannual contribution in one transfer;

(b) Alternatively, establishing a mandatory scheme of contributions with a view to effectively achieving more sustainable and predictable funding and for ensuring that the burden of covering the costs of the activities is distributed among the Parties (and signatories) to the Convention and the Protocol in proportion to the adjusted United Nations scale of assessments as set out in para. 10 (b) above. The Bureau noted that such a scheme is currently applied under some global Conventions⁶ and, of the ECE MEAs, under the EMEP Protocol to Convention on Long-range Transboundary Air Pollution (See table 1 in annex II on financial schemes). Over the years, Parties to the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters have also regularly considered moving from the currently used system of voluntary contributions to a mandatory scheme, and similar discussions are currently being conducted under the PRTR Protocol to that Convention. In 2013, Parties to the Aarhus Convention had funded consultants to the Aarhus secretariat to develop an “independent review” of the current scheme of contributions with recommendations (see ECE/MP.PP.WG.1/2013/9 and AC/WGP-16/Inf.10)⁷. The assessment had concluded that without implementation of a mandatory scheme or at least a stronger financial commitment by Parties it was unlikely that the Convention could maintain a level of financial stability and predictability in the long term;

(c) To better ensure the funding of the budgets adopted by the Meetings of the Parties, to improve the predictability of that funding and to ease the management of the budget and the workplan implementation, all Parties should be invited to make pledges well in advance of the sessions at which they are adopted for the 3-year intersessional period. Moreover, it is important that the contributions for a given calendar year are made as early as possible in the preceding year, preferably in the first half or by 1 October of that year. In accordance with the financial rules of the United Nations, to secure the extension of the contracts of extrabudgetary staff of the secretariat for the upcoming calendar year, the secretariat has to allocate (set aside) in the Convention trust fund by 1 October of each year the sums covering 12 months of staff costs, and also the costs need for implementation of activities in the first quarter of the upcoming year;

(d) Meetings of the Parties should continue to agree that the voluntary contributions be allocated as a first priority to the extrabudgetary staff of the secretariat (an external expert or experts). Parties should however not overlook the need for sufficient administrative support to the work of the professional staff. Earmarking or conditionalities attached to voluntary contributions reduce the flexibility of the funding and inhibit the secretariat in its efforts to secure the continuity of its staffing and the delivery of mandated tasks. Consequently, the Parties should be invited to avoid earmarking their annual contributions, to the extent possible. In contrast, additional contributions could be earmarked for a particular activity;

(e) Parties and other donors should also be invited to increasingly provide valuable in-kind contributions to support the implementation of the workplan activities, e.g.

⁶ E.g. The Montreal Protocol on Substances that Deplete the Ozone Layer; UNEP Chemical Conventions

⁷ All documents are available from <http://www.unece.org/env/pp/aarhus/wgp16.html>

through leading ad hoc working or drafting groups, or through providing bilateral technical assistance or capacity building support, which would also free secretariat resources.

11. The draft workplan for the period 2020–2023 should be prepared in parallel with the draft budget and decisions on its future funding to ensure that the demand for activities and services mirror the offer of resources for their implementation.

(a) Parties should first ensure that there are sufficient secretariat resources for the accomplishment of the secretariat's core tasks, involving:

- (i) Servicing of official treaty bodies (handling meetings and documents); the review of compliance and the reporting procedure;
- (ii) Informing and communicating with Parties and stakeholders (including website management and maintenance of list of focal points);
- (iii) General programme management (planning, budget management, reporting).

(b) If, in addition, Parties consider it important to include other activities and services in the workplan, to further develop and extend the implementation of the treaties, they should secure the corresponding additional resources for their delivery, either through assigning them to the secretariat after funding additional staffing or through implementing them in-kind). Such additional activities and services could include for example:

- (i) Legislative assistance and/or capacity building: involving activities in the countries, fund raising and related donor reporting;
- (ii) Development of guidance documents and advocacy material with support from consultants to the secretariat;
- (iii) Outreach activities in other regions;
- (iv) Ad hoc processes that require secretariat services.

Annex I

Draft decision VIII/4–IVH/4 (based on current decision VII/4–III/4)**Budget, financial arrangements and financial assistance**

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 VI/4–III/4 of the Meeting of the Parties to the Convention on Environmental Impact Assessment in a Transboundary Context and the Meeting of the Parties of the Protocol on Strategic Environmental Assessment, on the budget, financial arrangements and financial assistance for the period up to the ~~seventh~~^{eighth} session of the Meeting of the Parties to the Convention and the ~~third~~^{fourth} session of the Meeting of the Parties to the Protocol,

Also recalling the financial strategy adopted through decision VI/4–II/4 (annex II), ~~including with a view to regretting its limited applicability for~~ ~~to~~ improving the sustainable availability and predictability of resources under the Convention and the Protocol, and ~~to~~ ~~for~~ ensuring a more equitable and proportionate sharing of the financial burden among the donors,

Acknowledging with appreciation the contributions made in cash and in kind in the present intersessional period, with only a few donors providing the majority of the funding and regretting that several Parties are not contributing at all.

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

Welcoming the ~~bi~~annual financial reports prepared by the secretariat during the present intersessional period

~~Acknowledging with appreciation the contributions made in cash and in kind in the present intersessional period, while noting with regret that the financial burden was not evenly distributed, with three donors providing the bulk of the funding and with several Parties not contributing at all,~~

Recognizing the need to:

(a) Ensure that sufficient financial and human resources are available to implement the workplan for the next intersessional period, 2017~~21~~²¹–2020~~3~~³, adopted through decision VII/3–IVH/3,

(b) Increase the secretariat's staffing to better match the functions assigned to it by Parties to the Convention and the Protocol.

~~(c)~~ Increase the willingness of donors to make further financial and in-kind contributions, as well as assist in financial and project management,

~~(d)~~ Ensure that the financing of activities under the Convention and the Protocol should be distributed among as many Parties and non-Parties as possible,

Aware of the importance of wide participation by the Parties in activities under the Convention and the Protocol in order to ensure progress,

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 decision II/14 of the Meeting of the Parties to the Convention, which amends the Convention to allow United Nations Member States not members of the United Nations Economic Commission for Europe (ECE) to accede to the Convention, and also article 23, paragraph 3, of the Protocol, which allows United Nations Member States not members of ECE to accede to the Protocol, and also article 17, paragraph 3 of the Convention that will in the near future allow the accession of also non-ECE States to the Convention;~~

~~[1. Establish a mandatory scheme of financial contributions] [1. Agree to maintain the existing scheme of financial contributions for covering the budgeted costs for the implementation of the workplan for the next intersessional period, ~~whereby Parties and signatories to the Convention and to the Protocol contribute an amount that they choose to pledge on a voluntary basis;~~]~~

~~[2. Urge Parties [and signatories] to contribute each year, as a minimum, an amount calculated based on the agreed budget for the Convention and the Protocol and the adjusted scale of assessments for the apportionment of the expenses of the United Nations, which reflects the economic strength of the country;]~~

~~2. Also agree that, in line with paragraph 21 below, that work will continue during the intersessional period to ensure that the financial arrangements and the financial strategy foster the effective implementation of the workplan; *[Redundant. Deleted to simplify]*~~

~~[3. Agree that each contribution should not be less than \$500 per year, bearing also in mind the administrative transaction costs of each payment]⁸;~~

~~[3.4]. Confirm for State Parties-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 to \$1,000), whereby countries make contributions equivalent in value to a number of shares of the budget and to establish a more straightforward system where the agreed budget and the countries contributions to finance it are indicated in dollar values;~~

~~[45.] Urge all Parties to ensure contribute to ensuring sustainable funding of activities and an equitable and proportionate sharing of the financial burden among the Parties, and also invite signatories, other interested States, organizations and international financial institutions to contribute;~~

~~[56]. Strongly urge Parties that have so far not contributed to do so, and those Parties that only committed limited funds or in-kind contributions to raise their contributions during the current and future budget cycles;~~

~~[67]. Request donors to pledge, where possible, their yearly or multi-annual financial and in-kind contributions prior to well in advance of the adoption of the workplan and the budget by the Meetings of the Parties.~~

⁸ The United Nations scale of assessments is adopted by the General Assembly for a three-year period. It provides the basis for calculating the contributions of Member States to the United Nations regular budget. In December 2018, the General Assembly adopted resolution 73/271 on a scale of assessments for the apportionment of the expenses of the United Nations for the period 2019–2021.

[78]. *Adopt* the report prepared by the secretariat on the budget and financial arrangements during the present intersessional period contained in document ECE/MP.EIA/2017/20/3-ECE/MP.EIA/SEA/2017/20/3;

[89]. *Decide* that activities under the workplan for ~~2017-2020~~2021-2023 that are included in the budget of the Convention and the Protocol for that same period, as set out in the annex to this decision, and which are not covered by the United Nations regular budget, should be covered by contributions ~~of totalling [...] 1,183 shares of 1,000~~ United States dollars ~~each~~, of which ~~[625\$...] shares~~ would cover the core (priority 1) requirements and ~~[558-...] shares~~ would cover the remaining [non-core (priority 2, 3 and 4)] requirements; *[Amounts to be completed once the budget is agreed]*

[910]. *Agree* the budget of the Convention and its Protocol for ~~2017-2020~~2021-2023, as set out in the annex hereto;

[1011]. *Also agree* that, *in accordance with the financial rules of the United Nations*, ~~the secretariat should allocate the required amount of contributions shall be allocated in the trust fund by 1 October of each year to secure extension of the contracts of secretariat's extrabudgetary staff, as a priority, and, also to cover the costs needed for implementation of other activities taking place in the upcoming year in accordance with the order of priority set out in the budgets of the individual items in the budget table contained in the annex in the order of priority set for each item, unless a contributor specifies that a contribution should be allocated to a particular item in the budget; where funds remain after the completion of such items, the surplus shall be transferred to the overall budget to be spent on the budget items in the order of priority set for each item;~~*[Proposal to delete the second part of the sentence because it is not implementable in practice: Receiving \$600,000 in the trust fund to cover the priority 1 staffing costs takes approximately 2 years. Application of the above rule would mean that no other expenditure could be done during the first two years of a 3-year intersessional period, including for travel support of eligible participants to official meetings nor for the secretariat travel]*

[1112]. *Further agree* that financial contributions should 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;

[1213]. *Request* that Parties seek to transfer their contributions to the ECE trust fund on local technical cooperation under the Convention and the Protocol as early as possible in their budget year and, insofar as possible, contributions for a given calendar year should be made [in the first half] [by 1 October] [by the end] of the preceding year so as to secure payment of staff costs and to provide greater certainty for future financial and project management;

[1314]. *Request* the secretariat to continue to prepare and submit to the Bureau annual financial reports with a view to assisting in the preparation of the report to the Meetings of the Parties to the Convention and the Protocol, at their ~~eight-ninth~~ and ~~fourth~~fifth sessions, respectively, in accordance with paragraph ~~17[...]~~ below, and further request the Bureau to consider the reports and to agree their circulation to the Parties;

[1415]. *Also request* the secretariat to include in the reports information on the resources available (including in-kind contributions and United Nations programme support) and the expenditures, and to highlight significant developments;

[1516]. *Further request* the secretariat to provide Parties with timely reminders concerning outstanding pledges [at the beginning of each year];

[1617]. *Decide* that the Executive Secretary of ECE has authority, after consultations with the Bureau, to make adjustments to the budget, up to a maximum of 10

per cent, where such adjustments are necessary before the next sessions of the Meetings of Parties, and that Parties be promptly informed of such adjustments;

[4718]. *Request* the secretariat, in accordance with the financial rules of the United Nations, to monitor the expenditure of the funds and to 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;

[4819]. *Request* the Executive Secretary of ECE to seek additional professional and administrative staff funded by the regular budget of the United Nations to provide long-term and stable secretariat functions;

~~[19. — Recognize that the current financial constraints of ECE do not allow for the financing of sufficient administrative staff and, therefore, on an exceptional basis for the next intersessional period, are willing to support the secretariat by calling on Parties to provide additional contributions or to authorize the Bureau to redistribute available funding from the trust fund for this purpose; [Proposal to delete: Donors cannot only fund extrabudgetary professional staff and not the necessary administrative support. Aside from the currently acute cashflow crisis in the UN, even in the long run the overall RB budget for the secretariat is not likely to increase with respect to neither professional nor support staff. Since 1990's the UN RB funds have covered only 1 RB professional staff member (the Secretary) and 0,5 RB admin support staff member.]~~

[20]. *Underline* the need for appropriate and stable staffing of the secretariat by giving the highest priority to financing ~~an external expert~~ sufficient extrabudgetary staff to the secretariat to provide support for the Implementation Committee under the Convention and the Protocol [and for capacity building and outreach activities in accordance with the workplan adopted through decision VIII/4-IV/4];

[21]. *Decide* that the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment shall prepare a further draft decision on financial arrangements for adoption by the Meetings of the Parties to the Convention and the Protocol at their ~~eighth-ninth~~ and ~~fourth fifth~~ sessions, respectively, based on the experience gained in the meantime under the financial arrangements adopted at the present joint session;

[22]. *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];

[23]. *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;

~~24. — Urge the secretariat to ensure that financial support is provided to participants in formal meetings, in accordance with the budget decided by the Meetings of the Parties and subject to the availability of funds for this purpose, and that, among participants, priority should be given first to representatives of Parties, then to non-governmental organizations and finally to non-Parties, according to criteria to be set by the Bureau; [Proposal to delete because the rule is in contradiction with the rule 25 below: in accordance with the CEP's GDP per capita based criteria, and as also customary under the Espoo Convention, countries such as Tajikistan and Uzbekistan are eligible for financial support – although as of yet neither of them is Party to the Convention (nor the~~

Protocol). In 2018, the Bureau also confirmed that the secretariat should continue funding Tajikistan and Uzbekistan during the present period]

[2524.] 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;

25. Decide that subject to availability of funds for this purpose, financial support is provided to participation in formal meetings of representatives of non-governmental organizations, and countries from outside the ECE-region in accordance with the agreed budget, and criteria to be set by the Bureau; [and that the support to non-ECE countries is in addition subject to a case by case examination by the Bureau]; [The proposed new para. 26 combines the old paras 26 and 27]

~~26.— Request the secretariat to grant, subject to the availability of funds for this purpose, in accordance with the budget decided by the Meeting of the Parties, financial assistance to designated experts from non-governmental organizations identified by the Bureau for their participation in meetings under the Convention and under the Protocol, unless otherwise decided by the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment;~~

~~27.— Decide that the Bureau shall, depending on the availability of funding for this purpose, in accordance with the budget decided by the Meeting of the Parties, and subject to priority being given to funding the implementation of the workplan, examine requests for possible financial assistance for the participation by representatives and experts from States outside the ECE region in meetings under the Convention and its Protocol;~~

[28 26]. Decide that, as a rule and in accordance with the rules of procedure of the Convention and its Protocol, the sessions of the Meetings of Parties shall take place in Geneva, unless otherwise decided by the Parties based upon an offer of a contracting Party to host the sessions.

Annex II.

A. Financial contribution schemes under selected environmental treaties

Table 1. Comparison of MEA Financial Contribution Schemes

<i>MEA</i>	<i>Voluntary scheme</i>	<i>Compulsory scheme</i>	<i>UN Scale of assessments</i>	<i>Other financial scheme</i>
World Heritage Convention	x	x	x	UNESCO scale
Montreal Protocol		x	x	
UNEP Chemical Conventions		x	x	
UNECE Conventions				
Aarhus Convention	x			
Water Convention	x			
Industrial Accidents Conventions	x		x ⁹	
Air Convention	x	x	x	

B. Evolution of the secretariat resources and functions

1. The Bureau has expressed serious concerns regarding the insufficient staffing of the secretariat compared to the large workload for servicing the Convention and the Protocol, which have continued to increase from year to year while the available resources remained the same. This unsustainable development puts the secretariat under strain, and could, in absence of increased resources, lead to the need to cut some of the services and activities currently provided. The secretariat's functions and resources are described in more detail below:

1. Secretariat's functions

2. In accordance with the article 13 of the Convention as adopted in 1991, the secretariat's functions include:

- (a) Convening and preparing sessions of the Meetings of the Parties;

⁹ Parties voluntarily contribute the amounts they choose to contribute. If a country asks for guidance on how much it should contribute, the Convention secretariat refers it to the adjusted UN scale of assessment.

(b) The transmission of reports and other information in accordance with the provisions of this Convention to the Parties;

(c) The performance of other functions as may be provided for in this Convention or as may be determined by the Parties.

3. In reality, however, since 1991, the overall workload of the secretariat and the complexity of its tasks have considerably increased owing to the increased use of the treaties, and, in particular, due to the following reasons:¹⁰

(a) Adoption and entry into force of the Protocol on SEA;

(b) Increased number of Parties to both legal instruments;

(c) Establishment of subsidiary bodies (Bureau, Working Group on EIA and SEA and the Implementation Committee) and expansion of their workload: In particular, the number and complexity of compliance matters brought before the Implementation Committee has considerably increased;

(d) Increased number and expanding scope of statutory (official) meetings of the treaty bodies (including substantive preparations and administrative work, such as financial and visa support, and travel arrangements for delegates from eligible countries);

(e) Increased number of decisions and recommendations to be implemented;

(f) Increased number of mechanisms (e.g. regular reporting by Parties and reviews of implementation) and ad hoc processes (working/drafting/editorial groups) to be supported;

(g) Increased number of requests from Parties for capacity-building and technical assistance in the implementation of the treaties at national or sub-regional levels;

(h) Increased need for resource mobilization to address the capacity building requests;

(i) Increased interest of States outside the ECE region and the need for outreach activities connected with the “globalization” of the treaties;

(j) Increased administrative demands regarding planning, monitoring and reporting on the implementation of work (from the treaty bodies, donors, United Nations) as well as evaluations;

(k) Increased contributions to and coordination with relevant regional and global activities, programmes and organizations;

(l) Increased number of requests for advisory services related to the treaties (accession to them; national legislation and practice etc);

(m) Increased demands for the production, management and distribution of information materials and guidelines;

¹⁰ Discussions at informal meetings between representatives of the governing bodies of the ECE Multilateral Environmental Agreements and the Committee of Environmental Policy (CEP) demonstrated that concerns over the funding and the expansion of the secretariat functions are largely shared by all the Agreements and most of the reasons for the secretariat’s increased workload listed in para. are common (2015, Draft 3.0 Secretariats for ECE multilateral environmental agreements - the way forward).

(n) Increased need for communication and visibility (e-mails, official letters, website, media, including social-media).

2. Secretariat resources

4. When the Espoo Convention and the other ECE multilateral environmental agreements (MEAs) were conceived (in the late eighties and early nineties), ECE regular budget resources were believed to be available and sufficient to provide the secretariat functions for the agreements. None of the legal texts provide for any financial mechanisms.

5. The staff resources in the Espoo Convention secretariat allocated from the United Nations regular budget have remained unchanged since the 1990s (i.e. one professional staff member, the Secretary to the Convention, and 50% of an administrative support staff member). With the increasingly challenging financial situation of the United Nations, characterized with an acute cash-flow crisis and regular budget cuts, and its impacts on the ECE (general salary cuts, cutting of posts in certain sections, reduction of services, e.g. as of 2020, the Bureau meetings will no longer benefit from the Russian interpretation), the UN regular budget cannot be expected to provide additional funding or new posts any time soon.

6. Similarly, the level of extrabudgetary voluntary contributions by Parties to the Espoo Convention and its Protocol has not increased in the past two decades totalling consistently less than a million US dollars (in average some \$ 950,000) per an intersessional period of 3 years. Since 2003, these voluntary contributions have been sufficient to finance one extrabudgetary professional post in the secretariat. In addition, since 2016, Norway has earmarked funds that allow covering the costs of an administrative support staff at 50% basis.

7. The unpredictability of the funding continues to make the management of the resources challenging, in particular as, in accordance with the financial rules of the United Nations, the secretariat must allocate in the trust fund by 1 October of each year the sum required for the extension of the contracts of the extrabudgetary staff of the secretariat at least for the upcoming year (12 months). Under the Espoo Convention, the voluntary contributions from Parties never fully cover the budgets the Parties adopt for a 3-year period. Moreover, the amounts that Parties pledge at the Meetings of the Parties' sessions for the upcoming intersessional periods cover only 50-70 per cent of the budgets adopted at the same sessions.¹¹ Lastly, Parties transfer their contributions at different times, and often only late in the year. Consequently, without a large operating reserve that provides for a necessary buffer the secretariat would not be able to ensure the continuous employment of its extrabudgetary staff.

8. To assist the Working Group in comparing the secretariat staffing in the secretariats of the five United Nations Economic Commission for Europe (ECE) Multilateral Environmental Agreements (MEAs), the below tables 1 and 2 indicate the number of professional and support staff in the respective treaty secretariats. The staff costs are covered either through the United Nations regular budget (RB), or the extrabudgetary (XB) contributions by Parties to the treaties' trust funds, or, in two cases by Parties through the junior professional officer programme administered by the United Nations office in New York.

¹¹ The Parties have adopted intersessional budgets as follows: 2017-2020: \$1,168.00; 2014-2017: \$1,100.00; 2011-2014: \$1,135.00; 2008-2011: \$1,1740.

Table 3: Professional staff in the UNECE MEA secretariats (as at September 2019)

<i>MEA</i>	<i>Regular budget staff</i>	<i>Extrabudgetary staff</i>	<i>Junior Professional Officer (JPO)</i>	<i>Total</i>
Espoo Convention & Protocol on SEA	1	2 (1 funded via voluntary contributions to trust fund + 1 by EU for managing the EU4Environment project)	-	3
Aarhus Convention & PRTR Protocol	2	4	-	6
Water Convention & Water and Health Protocol	2	8	2	12
Industrial Accidents Conventions	1	2	-	3
Air Convention & Protocols	3	2	-	5

Table 4: Support staff in the UNECE MEA secretariats (as at September 2019)

<i>MEA</i>	<i>Regular budget staff</i>	<i>Extrabudgetary staff</i>	<i>Total</i>
Espoo Convention & Protocol on SEA	0,5	1,5 (0,5 funded by Norway; 1 by EU for supporting EU4Environment project)	2
Aarhus Convention & PRTR Protocol	0,5	1	1,5
Water Convention & Water and Health Protocol	1	3	4
Industrial Accidents Conventions	1		1
Air Convention & Protocols	1	1	2

Annex III

Adjusted UN scale of assessment

Table 5. Illustration of possible/indicative minimum annual contributions to the trust fund in the next intersessional period (2021–2023) based on the adjusted United Nations scale of assessments for 2019–2021

Note: The actual amounts in columns D and E are to be calculated after agreement on the budget and financial arrangements for 2021-2023, and based on the updated scale of assessment

<i>Column A:</i>	<i>Column B:</i>	<i>Column C:</i>	<i>Column D:</i>	<i>Column E</i>	<i>Column F</i>
<i>Countries (Parties and Signatories)</i>	<i>United Nations scale of assessment (percentage)^a</i>	<i>Adjusted United Nations scale of assessment (percentage)^b</i>	<i>Contribution for 1 year (US\$) based on adjusted scale + current (2017-2020) budget (Small amounts increased to 500US\$)</i>	<i>Contribution for 1 year (US\$) based on adjusted scale + budget topped with 1 additional XB staff</i>	<i>Actual annual contribution in 2018</i>
Albania	0.008	0.024	500	500	0
Armenia	0.007	0.021	500	500	0
Austria	0.677	2.017	7,800	11,800	6,000
Azerbaijan	0.049	0.146	500	800	0
Belarus	0.049	0.146	500	800	0
Belgium	0.821	2.447	9,500	14,400	0
Bosnia and Herzegovina	0.012	0.036	500	500	0
Bulgaria	0.046	0.137	500	800	0
Canada	2.734	8.147	31,700	48,000	0
Croatia	0.077	0.229	900	1,300	3,000
Cyprus	0.036	0.107	500	600	1,000
Czechia	0.311	0.927	3,600	5,400	5,000
Denmark	0.554	1.651	6,400	9,700	19,970
Estonia	0.039	0.116	500	600	583
Finland	0.421	1.255	4,800	7,400	5,000
France	4.427	13.192	51,300	77,700	22,860

<i>Column A:</i>	<i>Column B:</i>	<i>Column C:</i>	<i>Column D:</i>	<i>Column E</i>	<i>Column F</i>
<i>Countries (Parties and Signatories)</i>	<i>United Nations scale of assessment (percentage)^a</i>	<i>Adjusted United Nations scale of assessment (percentage)^b</i>	<i>Contribution for 1 year (US\$) based on adjusted scale + current (2017-2020) budget (Small amounts increased to 500US\$)</i>	<i>Contribution for 1 year (US\$) based on adjusted scale + budget topped with 1 additional XB staff</i>	<i>Actual annual contribution in 2018</i>
Germany	6.09	18.148	70,600	100,000	30,000
Greece	0.366	1.091	4,200	6,500	1,000
Hungary	0.206	0.614	2,300	3,600	3,976
Ireland	0.371	1.106	4,300	6,500	0
Italy	3.307	9.855	38,300	58,000	12,270
Kazakhstan	0.178	0.530	2,000	3,100	0
Kyrgyzstan	0.002	0.006	500	500	0
Latvia	0.047	0.140	500	800	1,165
Liechtenstein	0.009	0.027	500	500	0
Lithuania	0.071	0.212	800	1,200	0
Luxembourg	0.067	0.200	800	1,100	0
Malta	0.017	0.051	500	500	0
Montenegro	0.004	0.012	500	500	6,818
Netherlands	1.356	4.041	15,700	23,800	0
North Macedonia	0.007	0.021	500	500	0
Norway	0.754	2.247	8,700	13,200	117,569
Poland	0.802	2.390	9,300	14,000	5,000
Portugal	0.35	1.043	4,000	6,100	0
Republic of Moldova	0.003	0.009	500	500	1,000
Romania	0.198	0.590	2,200	3,400	5,000
Serbia	0.028	0.083	500	500	3,200
Slovakia	0.153	0.456	1,700	2,600	2,000
Slovenia	0.076	0.226	800	1,300	3,000
Spain	2.146	6.395	24,800	37,600	0

<i>Column A:</i>	<i>Column B:</i>	<i>Column C:</i>	<i>Column D:</i>	<i>Column E</i>	<i>Column F</i>
<i>Countries (Parties and Signatories)</i>	<i>United Nations scale of assessment (percentage)^a</i>	<i>Adjusted United Nations scale of assessment (percentage)^b</i>	<i>Contribution for 1 year (US\$) based on adjusted scale + current (2017-2020) budget (Small amounts increased to 500US\$)</i>	<i>Contribution for 1 year (US\$) based on adjusted scale + budget topped with 1 additional XB staff</i>	<i>Actual annual contribution in 2018</i>
Sweden	0.906	2.700	10,500	15,900	8,270
Switzerland	1.151	3.430	13,300	20,200	42,170
Ukraine	0.057	0.170	600	1,000	0
United Kingdom	4.567	13.610	53,000	80,200	0
European Union^{c, d}	—	—	—	—	—
Total	33.557	100.0	391,900	584,400	367,200

^b The percentages from the United Nations scale of assessments have been adjusted for the Protocol by using a multiplier of 2.98, in order to arrive at a total of 100 per cent.

^c Subject to footnote d below on the contribution of the European Union, the figures in column D and E would be derived by multiplying the percentage value in column C by the annual estimated cost requirements for the work plan 2021-2023 to be specified in advance of the Working Group's ninth meeting in June 2020. As an indication, the figures in column D correspond to the annual figures of the current budget 2017-2020 and those in column E include in addition the annual costs of an additional extrabudgetary professional staff member in the secretariat. The actual amounts for the contributions would be calculated in due course, subject to the consideration and approval of the draft decisions on the work programme and budget for 2021-2023, and the updated UN scale of assessment to be adopted by the General Assembly.

^d A percentage has not been assigned to the European Union, since the European Union is not included in the United Nations scale of assessments (which serves to determine for each UN member State its contribution to the UN regular budget). Consequently, it is not possible to calculate the level of its contribution on the same basis as with the other Parties and Signatories (i.e. on the basis of the adapted United Nations scale of assessments). In the present intersessional period, the European Union has contributed annually 50,000 Euros.