



WHO IS PAYING FOR THE EUROPEAN PUBLIC GOOD OF ENVIRONMENTAL DEMOCRACY?

**AN ANALYSIS OF FINANCIAL CONTRIBUTIONS OF PARTIES
AND SIGNATORIES TO THE AARHUS CONVENTION TO THE
FUNDING OF ITS WORK PROGRAMME (2003-2007)**

**An IEEP research brief presented on the occasion of the Third
Meeting of the Parties to the Aarhus Convention**

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1 INTRODUCTION

The Aarhus Convention has established a system of international legal standards and procedures to guarantee a number of procedural environmental rights of citizens and civil society organisations throughout the UNECE region. In the ten-year period since its adoption, the Convention has had a considerable influence on EU law, national law in the 40 countries that have ratified it (and even in some that have not yet done so) and promoted the values of environmental democracy in Europe and Central Asia.

Even though the rights set forth in the Convention are far from being effectively guaranteed in all those countries, the international legal regime it established and the activities carried out under its auspices (including programmes for capacity-building, compliance review, and information exchange) can be described as a 'European public good' which benefits the advancement of participatory democracy and environmental policy in the EU and its Member States, as well as in other Member States of the UNECE in Western Europe, Eastern Europe, the Caucasus and Central Asia, and even serves as a model for the implementation of Principle 10 of the Rio Declaration worldwide.

As is the case with any international agreement, the implementation of its provisions is first and foremost a responsibility of each individual Contracting Party, which must make the necessary human and financial resources available at the national level to comply with its obligations. So the bulk of the funding for the implementation of the Aarhus Convention is actually provided through the budgets of public authorities at the level of each Contracting Party, and no data are presently available to assess the volume of those resources. However, like any form of international cooperation, the implementation of the Convention also requires resources to be made available at the international level to fund the work of the secretariat and various bodies established under the Convention, as well as the work programme of common international activities agreed upon by the Meeting of the Parties (MOP). This paper focuses on this issue, which is also the subject of ongoing intergovernmental negotiations within the Working Group of the Parties (WGP), which is discussing a draft decision on financial arrangements for consideration by MOP3.

Contributing to the budget of the Aarhus Convention is not legally speaking an obligation for any Party, but rather a political commitment made in Decision I/13 adopted by MOP1 in 2002, pursuant to article 10(3) of the Convention. Nevertheless, effective implementation of the Aarhus Convention work programme depends on the availability of sufficient financial and human resources. The Lucca Declaration adopted by ministers at MOP1 stated that 'stable and predictable funding for the activities under the Convention should be secured'. Efforts in the run-up to MOP2 in 2005 to establish a more stable and predictable mechanism to fund activities failed due to lack of consensus between the Parties and, as a consequence, the implementation of the Convention remains dependent on highly unpredictable and disappointingly low levels of voluntary contributions. Therefore, according to the Secretariat's Report on the Implementation of the Work Programme for 2006-2008, there continues to be a shortfall between the estimated core spending requirements and contributions. Meanwhile, Parties have continued negotiations within the WGP pursuant to the mandate given by MOP2 in Decision II/6 with a view to exploring and developing options for establishing 'stable and predictable' financial arrangements.

In Decision I/13 of MOP1, financial arrangements for funding the activities of the Convention were agreed upon which were based on a voluntary scheme of contributions by Parties and Signatories based upon a system of equal shares. It was suggested that activities under the work programme for 2003-2005 not covered by the United Nations regular budget should be covered by voluntary contributions corresponding to 59 shares of US\$ 20,000 per year, of which 43 shares would cover core requirements and 16 shares would cover the remaining requirements. Parties, Signatories and other States 'in a position to do so' were invited to contribute in cash or in kind an amount corresponding to one or more shares or parts of shares. The secretariat was requested to monitor the expenditure of the funds and to prepare a report for the next MOP, including information on how much Parties and other participating States contributed to the budget. The Decision also called for the establishment of a Task Force to consider the feasibility of introducing a system of financial arrangements 'based on the UN scale of assessments or other appropriate scales'. The financial arrangements were to be reviewed at MOP2 on the basis of the results of the Task Force and any proposal from the Working Group of the Parties.

Decision II/6 of MOP2 in 2005 in Almaty endorsed the continuation of the interim voluntary scheme of contributions for a further intersessional period, but based on a differentiated system of shares as follows: Type A of US\$ 20,000; and Type B of US\$ 500. The decision also recognised that activities under the work programme 2006-2008 not covered by the UN regular budget should be covered by voluntary contributions, but that, in addition to monitoring the contributions made, the WGP should 'explore and develop as appropriate one or several options for establishing stable and predictable financial arrangements based on the United Nations scale of assessments or other appropriate scales' and prepare recommendations concerning these matters a view to their 'possible adoption' at MOP3 in 2008.

This paper examines the financial contributions of the Parties and Signatories over the five-year from 2003 to 2007, leading up to MOP3 in Riga, to assess who is bearing most of the cost of the implementation of the Convention work programme, which we have characterised for this purpose as a 'European public good' from which all Parties and other States in Europe and Central Asia benefit.

This analysis of the financial data published in the official reports from the Convention Secretariat has enabled us to identify the leaders and laggards in financing the international cooperation activities under the Aarhus Convention. In particular, it examines these past contributions in relation to the proposed alternative funding system based on the UN scale of assessments, and other criteria relating to individual countries' ability to pay, to ascertain to what extent the existing arrangements meets criteria of fairness and predictability, and what would be the financial consequences of introducing revised financial arrangements based on some objective measure of each Party's ability to contribute.

2 FINANCIAL CONTRIBUTIONS OF PARTIES AND SIGNATORIES

The ten largest contributors to the Convention in the period 2003-2007 are the European Community (EC); Italy; France; Germany; Denmark; Norway; Sweden; UK; Belgium; the Netherlands and Spain (see figure 1 below). Of these, some Parties have maintained steadily high contributions over the entire five-year period (such as Italy and the EC) while others show an increase for the current Work Programme in 2006-2007 compared to the previous Work Programme 2003-2005 (such as France and Sweden).

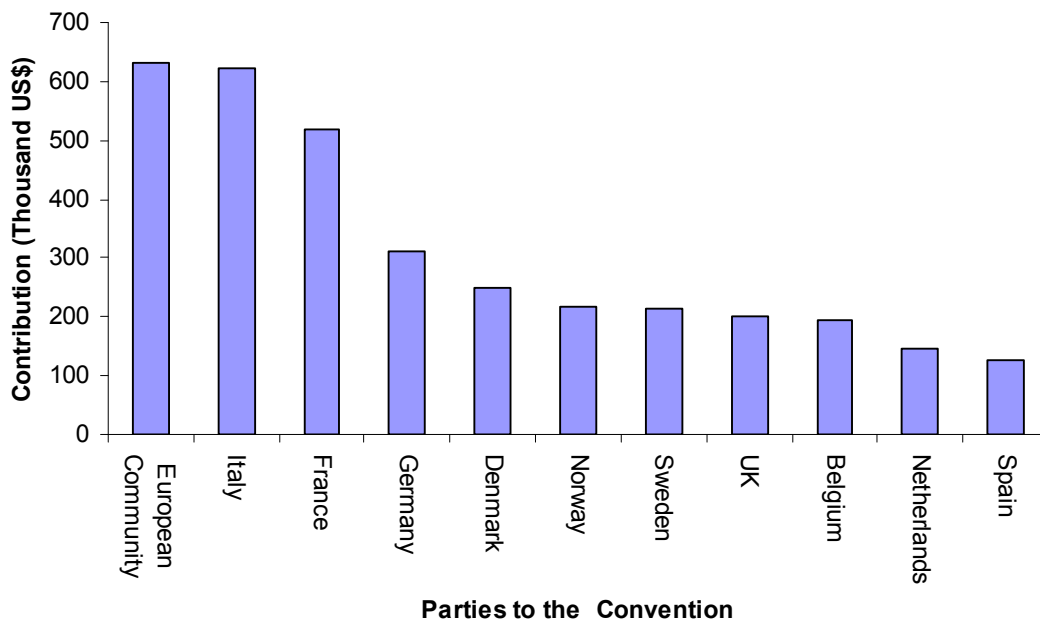


Figure 1. The Largest Contributors to the Aarhus Convention Work Programme

While Italy is the country which has made the largest overall contribution, the European Community, as a contracting Party in its own right, has also made a very significant contribution from the EU budget of over US\$ 126,000 per year throughout the five-year period under consideration. This makes it the largest overall contributor to the Convention's budget and, together with the individual contributions of the EU-15 'old' Member States, the contribution from the EU and its Member States makes up the lion's share of the overall contributions. The financial support base for the first two years of the activities of the Convention was in fact very narrow and the EC contribution and those from the EU-15 made up all but US\$ 11,731 of the overall level of contributions in 2003-2004 before EU enlargement (see figure 2 below).

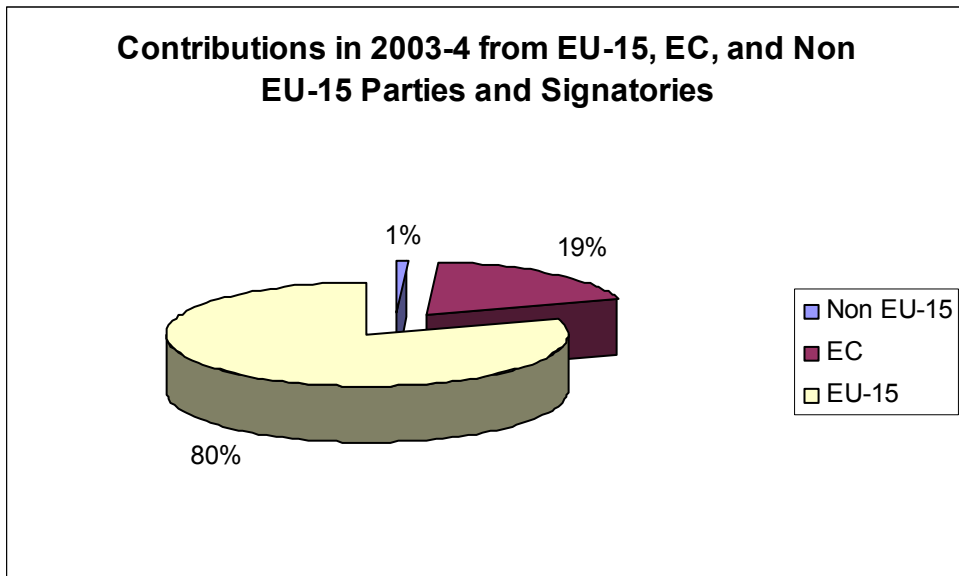


Figure 2. Origin of Contributions in 2003-2004

The EC and EU-15 continued to dominate the contributions after EU enlargement in mid-2004 (and continued to do so in 2007). However, some broadening of the financial base can be seen with voluntary donations (although fairly limited) coming from 19 Parties or Signatories outside the EU-15 (see figure 3 below).

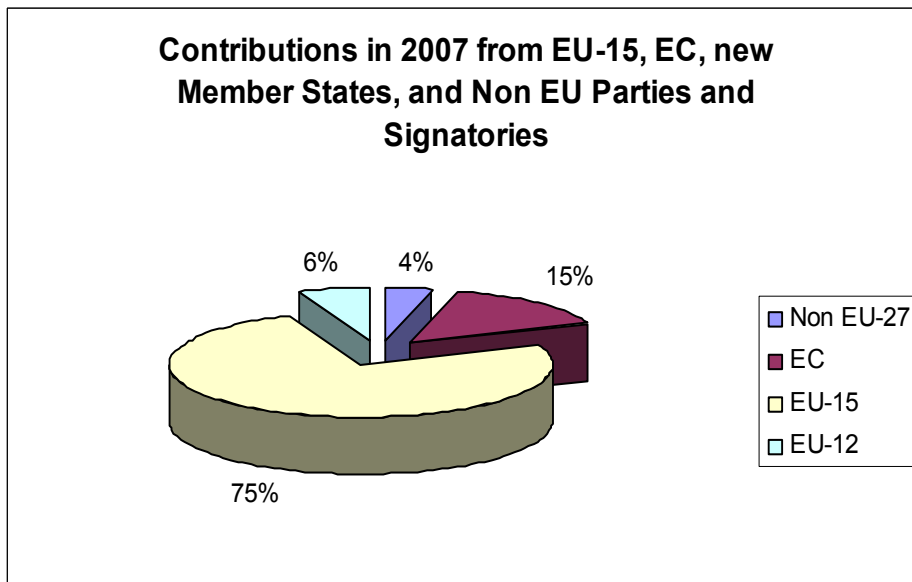


Figure 3. Origin of Contributions in 2007

The total financial contributions (in cash and in kind) of all Parties and Signatories are shown in the table below. Although there has been an increase in the number of Parties and Signatories contributing to the budget, eleven continue to make no contribution at all to the Convention's budget. These are: Armenia, Monaco, Azerbaijan, FYR Macedonia, Albania, Liechtenstein, Iceland, Cyprus, Ukraine, Luxembourg and Portugal. However, it should be noted that Monaco, Liechtenstein and Iceland have not become Parties to the Convention, and therefore have not made any commitment to contribute to the funding of its activities. On the other hand, a significant number of Signatories actually started contributing financially before they actually ratified the Convention, even though they were under no obligation to do so.

Table 1 below shows that only the largest eleven contributors (that is to say all of those in figure 1) actually contributed on average an amount of at least one US\$ 20,000 share per year as recommended in Decision I/13.

3 CONTRIBUTIONS OF PARTIES AND SIGNATORIES COMPARED TO EXPECTED LEVELS OF CONTRIBUTION RESULTING FROM THE APPLICATION OF THE UNITED NATIONS SCALE OF ASSESSMENTS

Comparison between the amounts actually contributed and those that would result from the application of the UN scale of assessments shows a more nuanced picture of the eleven largest contributors. In fact four of these Parties (UK, Germany, France and the Netherlands) have actually contributed less than what would have been their 'fair share' according to this scale. Of the 46 Signatories or Parties, only sixteen have paid their fair share of the budget (according to the UN scale of assessments when applied to the core annual budget for the years 2003-2007 as estimated in the Work Programmes 2003-2005 and 2006-2008). These were: Denmark, Norway, Sweden, Belgium, Italy, Estonia, Bulgaria, Georgia, Latvia, Slovenia, Finland, Moldova, Malta, Kyrgyzstan, Tajikistan, and Belarus. Estonia, for example, paid US\$ 50,000, which is over 28 times its expected level of contribution according to the UN scale, while Denmark paid US\$ 251,179, which was more than three times more than its expected level of contribution.

Five countries gave more than half of their 'fair share' (Croatia, France, Netherlands, Austria, Czech Republic), while another thirteen countries paid *less* than half their 'fair share' (Germany, UK, Spain, Switzerland, Poland, Greece, Ireland, Slovakia, Lithuania, Romania, Turkmenistan, Hungary, Kazakhstan). Eight Parties made no financial contribution at all: Armenia, Azerbaijan, FYR Macedonia, Albania, Cyprus, Ukraine, Luxembourg and Portugal.

As noted by the Secretariat in its report to MOP3: "There remain significant differences in the levels of contribution made by the different Parties, whether assessed in gross, per capita or per GDP or according to the application of the UN scale of assessments to Parties and Signatories of the Convention. Thus the present scheme has yet to achieve the 'fair sharing of the burden' recognised in decision I/13 as one of the guiding principles of any financial arrangements established under the Convention." (Doc. ECE/MP.PP/2008/7)

Table 1. Financial Contributions of Parties and Signatories to the Aarhus Convention Work Programme 2003-2007

Parties and Signatories of the Convention	Total Contribution 2003-2007 (US\$)	Adjusted* UN Scale of Assessments (%)	'Fair Share' of Core Work Programme (WP) Budget 2003-2007 based on Adjusted UN Scale (US\$)	Actual Contribution Compared to 'Fair Share' of WP 2003-2007 (US\$)
European Community	631,542	**	**	**
Italy	622,657	12.501	560670	61,987
France	518,714	15.509	695579	-176865
Germany	310,390	20	897000	-586,610
Denmark	251,179	1.819	81582	169,596
Norway	215,605	1.925	86336	129,269
Sweden	212,868	2.636	118225	94,643
UK	202,171	16.349	733253	-531,082
Belgium	194,680	2.712	121633	73,046
Netherlands	145,258	4.61	206759	-61,501
Spain	126,676	7.305	327629	-200,954
Austria	68,551	2.183	97908	-29,357
Finland	65,282	1.388	62252	3,030
Estonia	50,000	0.039	1749	48,251
Switzerland***	42,391	2.993	134236	-91,845
Bulgaria	28,000	0.049	2198	25,802
Czech Republic	20,000	0.692	31036	-11,036
Slovenia	14,963	0.236	10585	4,378
Greece	10,000	1.467	65795	-55,795
Latvia	7,200	0.044	1973	5,227
Poland	7,092	1.233	55300	-48,208
Ireland***	6,840	1.095	49111	-42,271
Georgia	5,870	0.007	314	5,556
Hungary	5,400	0.601	26955	-21,555
Croatia	5,000	0.123	5517	-517
Romania	3,500	0.172	7714	-4,214
Malta	3,231	0.042	1884	1,347
Belarus	2,300	0.049	2198	102
Slovakia	1,897	0.155	6952	-5,055
Lithuania	1,550	0.076	3409	-1,859
Moldova	1,500	0.002	90	1,410
Kyrgyzstan	990	0.002	90	900
Tajikistan	990	0.002	90	900
Kazakhstan	637	0.071	3184	-2,548
Turkmenistan	200	0.015	673	-473
Armenia	0	0.005	224	-224
Monaco***	0	0.007	314	-314
Azerbaijan	0	0.012	538	-538
FYROM	0	0.012	538	-538
Albania	0	0.015	673	-673
Liechtenstein***	0	0.025	1121	-1,121
Iceland***	0	0.091	4081	-4,081
Cyprus	0	0.108	4844	-4,844

Ukraine	0	0.111	4978	-4,978
Luxembourg	0	0.209	9374	-9,374
Portugal	0	1.297	58170	-58,170

* Adjusted for 20% cap

** The European Community has not been assigned a percentage according to the UN scale assessment since the EC is not a member of the United Nations and is not included in this scale and therefore it is not possible to calculate the level of its contribution on the same basis as with other Parties and Signatories.

*** Countries which have not yet ratified the Convention

4 CONTRIBUTIONS OF PARTIES AND SIGNATORIES COMPARED TO OTHER CRITERIA RELEVANT TO EQUITABLE BURDEN-SHARING

Table 2 presents an analysis of the data on financial contributions of Parties and Signatories to the Convention work programme for the period 2003-2007, taking into account two of the possible criteria mentioned by the Secretariat in its report to MOP3: population size and gross domestic product (GDP).

On a per capita basis, by far the most generous contributors are Norway, Denmark, Estonia and Sweden, followed – though at a significant distance – by Belgium, Finland and Italy. All other donor countries have actually contributed less than one US\$ cent per capita over the five-year period under consideration.

From the viewpoint of a country's *ability* to contribute, however, GDP is undoubtedly a more relevant criterion than population size. For this reason, table 2 also includes data relating countries' contributions to the work programme to their GDP, expressing total contributions for 2003-2007 in US\$ per million US\$ of GDP (2007 data). On this basis, Estonia is the most generous contributor, followed by Denmark, who are the only two Parties having contributed more than US\$ 1.00 per million US\$ of their 2007 GDP. Three other Parties (Norway, Sweden and Belgium) have contributed between US\$ 0.50 and 1.00. All other Parties and Signatories have contributed less than US\$ 0.50 per million US\$ of GDP. The group of countries which have contributed even less than US\$ 0.10 per million US\$ of GDP includes a substantial number of Member States of the EU (UK, Spain, Czech Republic, Greece, Poland, Ireland, Slovakia, Lithuania, Romania), some of which have, in relative terms, contributed less than some countries of Eastern Europe, the Caucasus and Central Asia whose per capita national income is much lower than the EU average – not to mention those EU Member States who have not contributed at all during the five-year period under consideration (Luxembourg, Portugal and Cyprus).

The preamble to draft Decision III/7 notes that the distribution of the financial burden of supporting the Convention's work programme has been far from equitable so far, and that a significant number of Parties (and Signatories) have failed to contribute at all.

To be fair to the countries concerned, it should, however, be pointed out that all Member States of the UNECE – including those that have neither signed nor ratified the Convention – as well as all Member States of the EU, are contributing, albeit in a limited and indirect way, to the funding of the Convention Secretariat and the activities organised under the work programme, through, respectively, their assessed

contributions to the general budget of the United Nations, which covers the cost of two Secretariat staff members and related expenditure (estimated to amount to US\$ 290,000 per year by the Secretariat), and their contributions to the general budget of the European Union, from which the substantial EC contribution to the Convention work programme has been paid annually by the European Commission. Nevertheless, while these indirect contributions exist and can be quantified, it should be borne in mind that, contrary to the voluntary contributions made by individual countries under the existing financial arrangements, they do not actually reflect a deliberate and positive political choice on the part of the governments concerned to assume a share of the financing of the European public good of environmental democracy which the Convention and its institutions provide.

Table 2. Analysis of Financial Contributions of Parties and Signatories to the Aarhus Convention Work Programme 2003-2007 According to Selected Criteria

Parties and Signatories to the Convention	Total Amount Contributed 2003-2007 (US\$)	Assessed Share of Core Work Programme (WP) Budget 2003-2007 According to UN Scale (US\$)	Ratio of Budget Share Actually Contributed Compared to Assessed Share	Population (2007)	Total Contributed 2003-2007 in US cents per capita	Total Contributed 2003-2007 in US dollars per million dollars of GDP (2007)
European Community	631,542	**	**	491,018,677	0.129	0.039
Italy	622,657	560670	1.111	58,145,321	1.071	0.345
France	518,714	695579	0.746	64,057,790	0.810	0.240
Germany	310,390	897000	0.346	82,369,548	0.377	0.110
Denmark	251,179	81582	3.079	5,484,723	4.580	1.224
Norway	215,605	86336	2.497	4,644,457	4.642	0.835
Sweden	212,868	118225	1.801	9,045,389	2.353	0.638
UK	202,171	733253	0.276	60,943,912	0.332	0.094
Belgium	194,680	121633	1.601	10,403,951	1.871	0.513
Netherlands	145,258	206759	0.703	16,645,313	0.873	0.226
Spain	126,676	327629	0.387	40,491,051	0.313	0.093
Austria	68,551	97908	0.700	8,205,533	0.835	0.214
Finland	65,282	62252	1.049	5,244,749	1.245	0.351
Estonia	50,000	1749	28.585	1,307,605	3.824	1.754
Switzerland***	42,391	134236	0.316	7,581,520	0.559	0.140
Bulgaria	28,000	2198	12.741	7,262,675	0.386	0.327
Czech Republic	20,000	31036	0.644	10,220,911	0.196	0.080
Slovenia	14,963	10585	1.414	2,007,711	0.745	0.273

Greece	10,000	65795	0.152	10,722,816	0.093	0.031
Latvia	7,200	1973	3.649	2,245,423	0.321	0.181
Poland	7,092	55300	0.128	38,500,696	0.018	0.011
Ireland***	6,840	49111	0.139	4,156,119	0.165	0.036
Georgia	5,870	314	18.697	4,630,841	0.127	0.302
Hungary	5,400	26955	0.200	9,930,915	0.054	0.028
Croatia	5,000	5517	0.906	4,491,543	0.111	0.072
Romania	3,500	7714	0.454	22,246,862	0.016	0.014
Malta	3,231	1884	1.715	403,532	0.801	0.345
Belarus	2,300	2198	1.047	9,685,768	0.024	0.023
Slovakia	1,897	6952	0.273	5,455,407	0.035	0.018
Lithuania	1,550	3409	0.455	3,565,205	0.043	0.026
Moldova	1,500	90	16.722	4,324,450	0.035	0.158
Kyrgyzstan	990	90	11.037	5,356,869	0.018	0.092
Tajikistan	990	90	11.037	7,211,884	0.014	0.086
Kazakhstan	637	3184	0.200	15,340,533	0.004	0.004
Turkmenistan	200	673	0.297	5,179,571	0.004	0.004
Armenia	0	224	0.000	2,968,586	0.000	-
Monaco***	0	314	0.000	32,796	0.000	-
Azerbaijan	0	538	0.000	8,177,717	0.000	-
FYR Macedonia	0	538	0.000	2,061,315	0.000	-
Albania	0	673	0.000	3,619,778	0.000	-
Liechtenstein** *	0	1121	0.000	34,498	0.000	-
Iceland***	0	4081	0.000	304,367	0.000	-
Cyprus	0	4844	0.000	792,604	0.000	-
Ukraine	0	4978	0.000	45,994,287	0.000	-
Luxembourg	0	9374	0.000	486,006	0.000	-
Portugal	0	58170	0.000	10,676,910	0.000	-

* Adjusted for 20% cap

** The European Community has not been assigned a percentage according to the UN scale assessment since the EC is not a member of the United Nations and is not included in this scale and therefore it is not possible to calculate the level of its contribution on the same basis as with other Parties and Signatories.

*** Countries which have not yet ratified the Convention

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