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Meeting of the Parties to the Protocol on Pollutant Release and Transfer Registers to the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters

Working Group of the Parties

Seventh meeting

Geneva, 28 and 29 November 2019

Item 9 (b) of the provisional agenda

Preparations for the fourth session of the Meeting of the Parties to the Protocol: Substantive preparations: financial arrangements under the Protocol

Note on future financial arrangements under the Protocol on Pollutant Release and Transfer Registers

Prepared by the Bureau

Summary

At its third session (Budva, Montenegro, 15 September 2017), the Meeting of the Parties to the Protocol on Pollutant Release and Transfer Registers to the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters mandated the Bureau and the Working Group of the Parties to explore options for more predictable, stable and equitably shared funding, and requested them to make the appropriate proposals for the consideration of the Meeting of the Parties at its fourth session (ECE/MP.PRTR/2017/6/Add.1, decision III/3, para. 12).

The present document was prepared by the Bureau pursuant to decision III/3. It aims to facilitate the Working Group's discussion on the preparation of a draft decision on financial arrangements for the intersessional period following the fourth session of the Meeting of the Parties (scheduled for 2021). The document includes information on the approach to drafting the future decision on financial arrangements and an indicative timeline for its preparation. A suggested draft decision on future financial arrangements is contained in the annex to the present document.

The Working Group is invited to consider the present note on future financial arrangements at its seventh meeting (Geneva, 28 and 29 November 2019) and to mandate the Bureau to finalize it, in the light of the discussions at the meeting, for submission and approval to the eighth meeting of the Working Group of the Parties in 2020, with a view to its possible adoption at the fourth session of the Meeting of the Parties (scheduled for 2021).

I. Introduction

1. The present note has been prepared by the Bureau pursuant to decision III/3 of the Meeting of the Parties, adopted at its fourth session (ECE/MP.PRTR/2017/6/Add.1). The note includes information on the approach to drafting the future decision on financial arrangements and an indicative timeline for its preparation. A suggested draft decision on future financial arrangement is contained in the annex to the present document.

2. The Bureau notes that the current financial scheme, based on voluntary contributions, provides no guidance regarding their amount. The level of contributions fluctuates and makes the funding of extra-budgetary activities and posts unpredictable and far from secure. This has an impact on the secretariat's ability to carry out long-term planning. A mandatory contribution scheme, aligned with the United Nations scale of assessment, would enhance the financial predictability, and thus the sustainability, of the work of the secretariat with regard not only to extra-budgetary activities and posts but also to opportunities for the secretariat to engage in capacity-building activities and promotion of the Protocol. Moreover, contributions in accordance with the United Nations scale of assessment would lead to a fairer distribution of the financial burden among the Parties.

II. Approach to the drafting of the decision on future financial arrangements

3. Considering that there is no consensus regarding the scheme of contributions (for example, mandatory or voluntary) and the introduction of a scheme of assessment of contributions, it is proposed that the draft decision on financial arrangements reflect different options under consideration and the contents of the draft decision be updated, as appropriate. Thus, the draft decision contained in the annex is based on the current adopted decision III/3 on the financial arrangements (see ECE/MP.PRTR/2017/6/Add.1), with new elements related to a mandatory scheme of contributions and to the United Nations scale of assessments derived from draft decision III/3 on the financial arrangements submitted to the third session of the Meeting of the Parties to the Protocol (Budva, Montenegro, 15 September 2017) (see ECE/MP.PRTR/2017/11). The draft decision therefore contains two options: the current financial scheme based on voluntary contributions; and a mandatory scheme of contributions aligned with the United Nations scale of assessment. For greater clarity regarding the different options under consideration for a financial scheme, text in bold in the draft decision indicates which option or options are applicable for the suggested text. Option A relates to a financial scheme with a mandatory contribution scheme; Option B is for a financial scheme with voluntary contributions. To facilitate deliberations by the Working Group, actual revisions to the current adopted decision III/3 are shown in track changes in an informal document (PRTR/WG.1/2019/Inf.1).¹ The major issues for consideration by the Working Group include: (a) whether the scheme of financial arrangements should be mandatory or voluntary; and (b) whether the United Nations scale of assessments should apply to contributions.

III. Indicative timeline

4. The below indicative timeline for preparing the future decision on financial arrangements takes into consideration the need to: (a) provide Governments, non-governmental organizations (NGOs), the general public and other interested stakeholders with an appropriate time frame for consultations within their respective constituencies, organizations and networks; and (b) ensure that an advance draft of the document is ready for approval by the Working Group of the Parties at its eighth meeting in 2020, prior to the fourth session of the Meeting of the Parties (scheduled for 2021). This approach is based on previous experience and was welcomed by both Governments and stakeholders, including

¹ Available at www.unece.org/index.php?id=50979.

NGOs, which had the possibility to provide inputs and negotiate text well in advance of its formal adoption.

5. The indicative timeline is as follows:

(a) A proposal regarding the preparation of the draft decision on financial arrangements will be submitted to the seventh meeting of the Working Group of the Parties (Geneva, 28 and 29 November 2019) for consideration;

(b) The revised draft decision on financial arrangements will be prepared, taking into account the comments received at the seventh meeting of the Working Group of the Parties (Geneva, 28 and 29 November 2019), and made available online to Parties, NGOs, the general public and other interested stakeholders for comments (early 2020);

(c) Taking into account the comments received, the revised draft decision on financial arrangements will be prepared by the Bureau, made available online for comments and submitted to the eighth meeting of the Working Group of the Parties (in 2020) for further discussion and approval, with a view to submitting it for adoption by the Meeting of the Parties at its fourth session (scheduled for 2021).

Annex I

Draft decision on financial arrangements under the Protocol on Pollutant Release and Transfer Registers

The Meeting of the Parties

Recalling article 17, paragraph 2 (h), of the Protocol on Pollutant Release and Transfer Registers to the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention), which states that the Meeting of the Parties may consider establishing financial arrangements by consensus to facilitate the implementation of the Protocol,

Also recalling decisions I/3, II/4 and III/3 of the Meeting of the Parties to the Protocol, establishing an interim voluntary scheme of contributions to be sustained by contributions from Parties, signatories and other States having opted to participate in the scheme,

Recognizing the need to:

- (a) Ensure that sufficient resources are available to implement the Protocol's work programme for 2022–2025, adopted through decision IV/...;
- (b) Establish a scheme of financial contributions that is transparent and accessible to all Parties, signatories and other States and organizations wishing to contribute;
- (c) Establish financial arrangements under the Protocol that will ensure stable and predictable sources of funding, based on the principles of an equitable sharing of the burden, accountability and sound financial management,

Believing also that some organizations and non-State entities, such as charitable foundations, may be interested in contributing financially to the activities under the Protocol's work programme and should be encouraged to do so,

[Noting with regret that most of contributions are still arriving late and that the financial burden has not been evenly distributed, with several Parties and signatories not contributing at all,]²

Believing that the financial arrangements in place under the Protocol will need to be kept under periodic review by the Meeting of the Parties to ensure that they continue to meet the goals of stability, predictability and an equitable sharing of the burden,

1. **Option A for mandatory contributions:** [*Establishes* a mandatory scheme of contributions] **Option B for voluntary contributions:** [*Decides* to continue maintaining the interim voluntary scheme of contributions as reflected in decision III/3 of the Meeting of the Parties to the Protocol³] aimed at covering the costs of activities under the work programme that are not covered by the United Nations regular budget, based on the following principles:

- (a) The Parties shall collectively ensure that the costs of the activities of the work programme that are not covered by the United Nations regular budget are covered through the financial scheme;

Relevant for Option A only: [(b) The burden of covering the costs of the activities shall be distributed among the Parties and Signatories to the Protocol in proportion to the United Nations scale of assessments⁴ with the indicative contribution of each Party for 2019 being as shown in the annex hereto;

² This paragraph is to be verified closer to the adoption of the decision.

³ ECE/MP.PRTR/2017/6/Add.1.

⁴ 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.

(c) The scale of assessments shall be adjusted so that no Party or Signatory is required to contribute more than 22 per cent⁵ of the estimated costs to be covered by the scheme;

(d) Each Party or Signatory shall contribute each year, as a minimum, the amount derived from applying the adjusted scale of assessments referred to in subparagraph x x x to the total estimated costs of the activities, but each contribution should not be less than stated in paragraph xxx;]

Relevant for both Options A and B:

[(b)] No Party or signatory is expected to contribute less than \$500 to the Protocol's work programme for a given calendar year;

[(c)] Contributions shall be made in cash and shall not be earmarked for a particular activity;

[(d)] Additional contributions may be made in cash or in kind, and may be earmarked for a particular activity;

[(e)] Contributions in cash shall be made through the United Nations Economic Commission for Europe trust fund for local technical cooperation (Aarhus Convention/Protocol on Pollutant Release and Transfer Registers project);

[(f)] Insofar as possible, and subject to the internal budgetary procedures of the Parties, contributions for a given calendar year should preferably be made by 1 October of the preceding year, so as to secure payment of staff costs for the smooth functioning of the secretariat, as a priority, and the timely and effective implementation of the priority activities of the respective programme of work;

[(g)] To keep administrative costs related to funds management at the minimum and, insofar as possible and subject to internal budgetary procedures of the Parties, contributions should preferably be paid net with possible charges at expense of donors, concentrated as much as possible within the intersessional period, by, for example, making multiannual or annual contributions continuously (for every calendar year) and by merging contributions for the Aarhus Convention and Protocol in one transfer, if appropriate;

[(h)] Parties pledge, where possible, prior to the adoption of a work programme by the Meeting of the Parties, their expected annual or multiannual financial and in-kind contributions. Signatories, other interested States and organizations may wish to indicate their expected contributions as well;

2. *Requests* Parties, to contribute each year or to make multiannual contributions towards the costs of activities under the work programme, in accordance with the scheme referred to in paragraph 1;

3. *Invites* signatories, other interested States and public entities, as well as the private sector, in accordance with the 2015 Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector,⁶ to contribute, in cash or in kind, towards covering the costs of the work programme;

4. *Calls upon* countries with economies in transition to finance to the extent possible their own participation in the activities;

5. *Calls upon* international organizations working in countries with economies in transition to support participation of representatives of these countries and non-governmental organizations in the meetings and other activities under the Protocol;

As reaffirmed in that resolution, the fundamental principle for calculating Member States' contributions is that "the expenses of the Organization shall be apportioned broadly according to capacity to pay".

⁵ In accordance with General Assembly resolution 73/271, which refers to 22 per cent for the period 2019–2021.

⁶ United Nations, Global Compact, "Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector", report, 2015 (revised). Available at www.unglobalcompact.org/library/3431 (accessed on 5 July 2019).

6. *Encourages* Parties that have historically contributed generously to maintain their previous levels of contribution;

7. *Also encourages* Parties that have so far not contributed, or have contributed modestly, to increase their contributions during the current and future budget cycles so as to ensure the equitable distribution of the financial responsibility for implementation of the work programme, and requests the Bureau to liaise with such Parties where appropriate concerning the achievement of this goal;

8. *Requests* the secretariat, in accordance with the financial rules of the United Nations, to allocate in the Convention trust fund by 1 October of each year the sum required for the extension of the contracts of extrabudgetary staff of the secretariat for the upcoming year, as a priority, and also the costs needed for implementation of activities in the first quarter of the upcoming year;

9. *Also requests* the secretariat, in accordance with the financial rules of the United Nations, to monitor the expenditure of the funds and to prepare annual reports for review by the Working Group of the Parties in order to ensure that the level of contributions matches the level of funding needed for the implementation of the work programme;

10. *Requests* the Working Group of the Parties to consider, in the light of these annual reports, whether changes would be required to the content or time frame of the work programme, in the event that the level of actual and/or pledged contributions does not match the level of funding needed;

11. *Further requests* the secretariat to prepare a comprehensive financial report for each session of the Meeting of the Parties, including information on how much Parties and other participating States and organizations have contributed to the budget of the Protocol in cash and in kind, and on how the contributions were spent;

12. *Mandates* the Bureau and the Working Group of the Parties to explore in the next intersessional period options for more predictable, stable and equitably shared funding, and requests them to make the appropriate proposals for the consideration of the Meeting of the Parties at its fifth session;

13. *Requests* the United Nations Economic Commission for Europe to allocate more resources to support the work under the Convention and its Protocol, in view of the positive evaluation of the Environmental subprogramme during the review of the 2005 reform of the Commission,⁷ considering, inter alia, the balance in the use of regular budgetary resources in the different subprogrammes;

14. *Agrees* to review the operation of the scheme of financial arrangements at the fifth session of the Meeting of the Parties.

⁷ *Official Records of the Economic and Social Council, 2013, Supplement No. 17 (E/2013/37-E/ECE/1464, annex III, paras. 7 and 8).*

Annex II

Indicative contributions for 2021

<i>Column A:</i>	<i>Column B:</i>	<i>Column C:</i>	<i>Column D:</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>Amount to be contributed for 2019 (United States dollars)</i>
Albania	0.008	0.026	
Armenia	0.007	0.023	
Austria	0.677	2.181	
Belgium	0.821	2.645	
Bosnia and Herzegovina	0.012	0.039	
Bulgaria	0.046	0.148	
Croatia	0.077	0.248	
Cyprus	0.036	0.116	
Czechia	0.311	1.002	
Denmark	0.554	1.785	
Estonia	0.039	0.126	
European Union ^{c, d}	—	—	
Finland	0.421	1.356	
France	4.427	14.264	
Georgia	0.008	0.026	
Germany	6.090	19.622	
Greece	0.366	1.179	
Hungary	0.206	0.664	
Ireland	0.371	1.195	
Israel	0.490	1.579	
Italy	3.307	10.655	
Latvia	0.047	0.151	
Lithuania	0.071	0.229	
Luxembourg	0.067	0.216	
Malta	0.017	0.055	
Montenegro	0.004	0.013	
Netherlands	1.356	4.369	
North Macedonia	0.007	0.023	
Norway	0.754	2.429	

<i>Column A:</i> <i>Countries</i> <i>(Parties and Signatories)</i>	<i>Column B:</i> <i>United Nations</i> <i>scale of assessment</i> <i>(percentage)^a</i>	<i>Column C:</i> <i>Adjusted United Nations</i> <i>scale of assessment</i> <i>(percentage)^b</i>	<i>Column D:</i> <i>Amount to be</i> <i>contributed for 2019</i> <i>(United States dollars)</i>
Poland	0.802	2.584	
Portugal	0.350	1.128	
Republic of Moldova	0.003	0.010	
Romania	0.198	0.638	
Serbia	0.028	0.090	
Slovakia	0.153	0.493	
Slovenia	0.076	0.245	
Spain	2.146	6.914	
Sweden	0.906	2.919	
Switzerland	1.151	3.709	
Tajikistan	0.004	0.013	
Ukraine	0.057	0.184	
United Kingdom	4.567	14.715	
Total	31.038	100.0	

^a Figures in column B are based on the scale of assessments contained in General Assembly resolution 73/271, adopted on 22 December 2018.

^b The percentages from the United Nations scale of assessments have been adjusted for the Protocol by using a multiplier of 3.222, 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 would be derived by multiplying the percentage value in column C by the annual estimated cost requirement of the work programme, as specified in the draft decision on the work programme 2022–2025 (ECE/MP.PRTR/...). The actual amounts for the contribution of each Party and Signatory between 2022 and 2025 will be calculated in due course, subject to the consideration and approval of the draft decision on the work programme for 2022–2025.

^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 and therefore 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). Pursuant to paragraph 2 of decision I/3 of the Meeting of the Parties, the European Union contribution to activities under the work programme not covered by the United Nations regular budget would account for 2.5 per cent of the total needed for core activities. This commitment is subject to the annual endorsement by the budgetary authorities of the European Union.]