

5th joint meeting of the Working Group on Integrated Water Resources Management (IWRM) and the Working Group on Monitoring and Assessment under the Water Convention, 6-8 May 2024

The Usefulness of a More Predictable and Sustainable Funding Mechanism of the Water Convention and proposed way forward/ decision

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Importance of financing the programme of work of the Water Convention



- The Water Convention is playing a crucial role for **sustainable development, climate action, peace, and regional integration**.
- Global impact of the convention : **130** countries participate in Convention meetings and activities, around 100 transboundary water cooperation agreements have been signed since entry into force of the Convention, more than **6000** experts were trained in different fields.
- Countries benefit from **capacity-building in various technical areas** and from the exchange of experience offered by the Convention's intergovernmental frameworks.
- **Increasing number of Parties to the Convention** : **52**, as of April 2024 (including **11** from outside the UNECE region). More than **20** countries are in the process accession.
- **Needs and requests** by a growing number of Parties, activities and programme areas under the Convention have **expanded**.
- Voluntary extrabudgetary contribution are not predictable and require extensive fundraising efforts, **negatively impacting implementation the programme of work**

Current funding situation

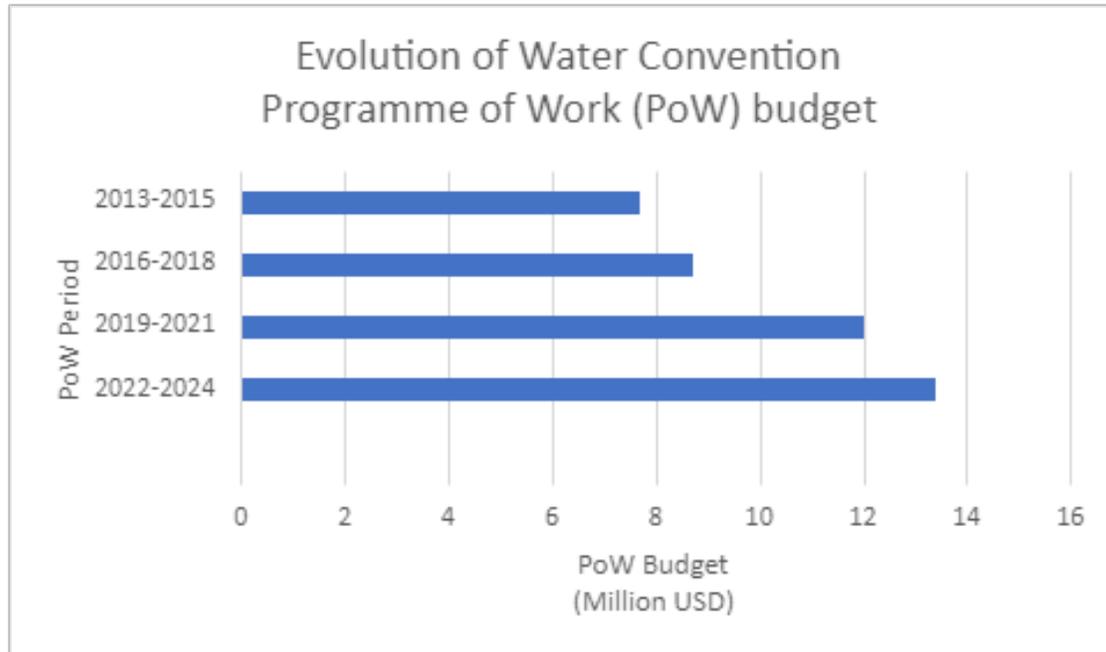
- The Water Convention Secretariat benefits from some **limited regular budget resources**:
 - **3** permanent staff, app. **3** publications per year, translation and publication of **a limited number of official documents, limited number of official meetings**
 - Costs for Spanish and Arabic interpretation need to be covered from extrabudgetary resources
 - Regular budget for UNECE has progressively decreased eg office costs now need to be covered for XB staff as well as UNOG fees and this trend will continue, i.e. more and more costs will need to be covered from extrabudgetary contributions.
- Large majority of funding needs are covered by extrabudgetary resources
- Some Parties provide valuable **in-kind contributions**
 - for example JPOs, hosting Convention meetings and workshops, providing experts etc.

Thank you very much for all contributions, financial and in-kind!

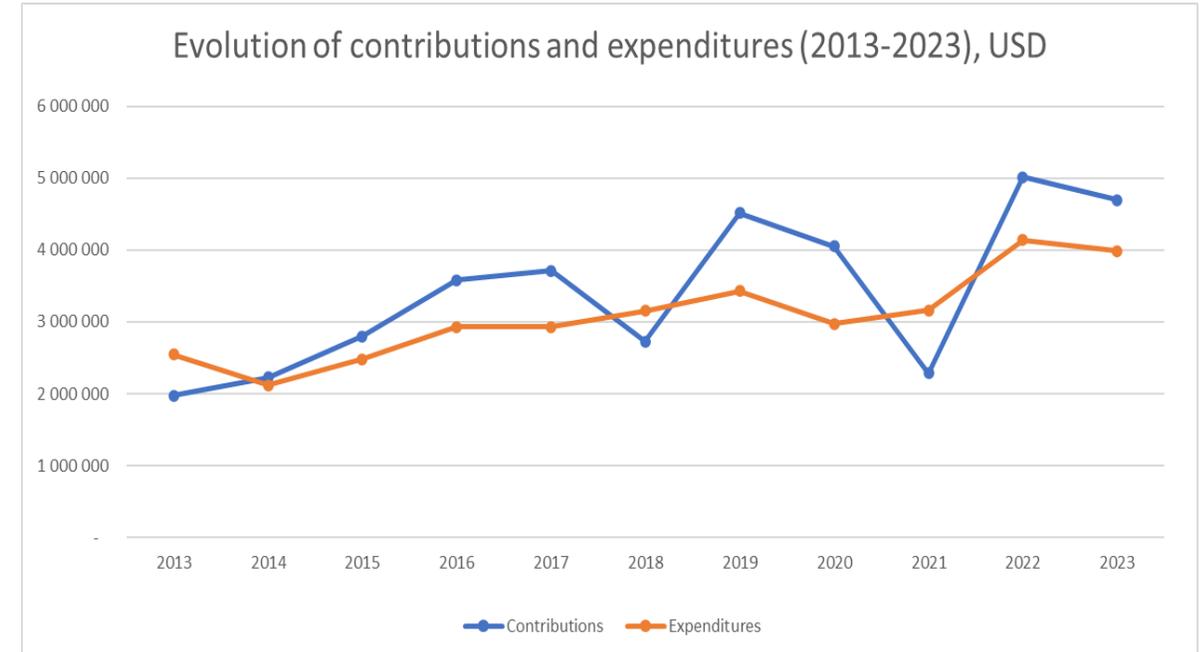


Trends

- The programme of work budget has almost doubled between 2013 and 2024



- Contributions and expenditures have significantly increased



Current funding situation

- Voluntary contribution by Parties increased over the years, but are subject to discretionary decisions by governments of Parties and thus pose significant challenges.
- Raising and managing voluntary contribution by the secretariat is inefficient and drains resources to the actual support of the programme of work implementation: for example, secretariat prepared more than 20 fundraising proposals in 2023-2024
- Burden of supporting the Convention's activities is **not fairly shared**
 - **19 out of 52 Parties** contributed in 2023
 - Large part of the Convention budget is covered by a **few main donors**
- Ninth Session of the Meeting of the Parties adopted targets for a more sustainable and predictable funding of the work under the Water Convention (ECE/ MP.WAT/63/ Add.2).
 - Entrusted the WG IWRM to review regularly targets and progress
 - Decided to review the targets at its tenth session (Ljubljana, 23-25 October 2024)

Implementation of the Targets for financial sustainability of the Convention



Target 1 adopted in 2021: By 2024, at least 50% and by 2030, at least 66% of all Parties finance the Programme of work.

- Baseline (2016-2018): 38%
- Present (2022-2023): 36%

Progress so far:

- the **number of Parties** to the Convention **increased by 10** while the number of **Parties financing** the Programme of work **increased only by 2**.
- Percentage of Parties financing the Programme of work is still far from the target of 50% by 2024: **number of Parties contributing decreased by 2% compared to the baseline period.**



Implementation of the Targets for financial sustainability of the Convention



Target 2 adopted in 2021: **By 2024, 50% and by 2030, 66% of all Parties contribute regularly to the Programme of work implementation.**

- Baseline (2016-2018): 26%
- Present (2022-2023): 28%

Progress so far:

- An **increase of 2%** has been recorded for this indicator between the baseline period and the current one.
- **The target of 50% of all Parties contributing regularly to the Programme of work implementation by 2024 is still far to reach.**



Implementation of the Targets for financial sustainability of the Convention



Target 3 adopted in 2021: **By 2024, 50% and by 2030, 66% of all contributions are unearmarked and do not require individual reports.**

- Baseline (2016-2018): 17%
- Present (2022-2023): 52%

Progress so far:

- There has been a substantial **increase of the number of unearmarked contribution** compared with the baseline period (+35).
- However, the amount of contributions not requiring reports correspond to **less than one third of the total contributions** received for the current reference period.

OVERALL:

For third indicator, the target is met, for second one not and for the first, most important, indicator, the percentage of Parties contributing even decreased thus target is not met



Comparison with other global MEAs

- All main global multilateral environmental agreements (MEAs) have a mandatory contribution scheme
 - e.g. UNFCCC, CBD, UNCCD, CMS, Ramsar Convention etc.
- Often distinction of a **core budget - mandatory contributions** and a **non-core budget - extrabudgetary resources**.
 - The scale of contribution to the core budget is usually based on the UN Scale of assessment
- Countries usually pay mandatory contributions for basin organizations they are part of.
 - International commission for the protection of the Danube River, Senegal Basin Development Organization, Lake Chad Basin Commission, Mekong River commission.

Proposed way forward and possible decision by the Working groups

- Bureau proposes to prepare a draft decision for adoption by the 10th Meeting of the Parties
 - Defining the process to develop a proposal for a more predictable and sustainable funding mechanism, including mandatory contributions, by establishing an open-ended financing group

Possible decision by the Working Groups:

The Working Groups entrust the Bureau to develop a draft decision defining a process towards a more sustainable and predictable financing mechanism of the Water Convention's work, entailing a mandatory financing scheme for consideration by the Meeting of the Parties at its tenth session (Ljubljana, 23-25 October 2024). Such decision should include the establishment of an open-ended financing group mandated to prepare the proposal for the financing mechanism, including a mandatory contribution scheme, for consideration and possible adoption at the eleventh session of the Meeting of the Parties to the Water Convention in 2027.