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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
on Environmental Impact Assessment in
a Transboundary Context serving as the
Meeting of the Parties to the Protocol on
Strategic Environmental Assessment

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

**Eleventh meeting**

Geneva, 19–21 December 2022

**Item 3 of the provisional agenda
Financial arrangements**

 Bureau’s proposals on financial arrangements

 Note by the Bureau

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| *Summary* |
| At their last sessions (Vilnius (online), 8–11 December 2020), the Meetings of the Parties to the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and its Protocol on Strategic Environmental Assessment requested the Bureau to again propose possible solutions to the issue of continued insufficiency, uneven distribution and unpredictability of contributions for the implementation of the workplans, considering also experiences of the other ECE multilateral environmental agreements in that regard. Possible revision proposals to the financial scheme adopted through decision VIII/1–IV/1 for 2021–2023, were to be presented to the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment, at its eleventh meeting, in December 2022, and ultimately to the Meetings of the Parties in December 2023.This document presents the outcomes of the Bureau’s discussions at its meeting[s] on 9 and 10 June 2022 and on 16 and 17 June 2021.The Working Group is invited to comment the information and proposals from the Bureau for addressing the protracted resource constraints, assess the effectiveness thus far of decision VIII/1–IV/1 of the Meetings of the Parties and agree on actions to be taken to enforce that decision.  |
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 I. The mandate and the Bureau’s earlier considerations

1. The Meetings of the Parties to the Convention and the Protocol, at their last sessions (Vilnius (online), 8–11 December 2020), asked the Bureau to continue to reflect on the previously presented possible solutions to the issue of the insufficiency, uneven distribution and unpredictability of contributions for the implementation of the workplan for 2021–2023, considering also experiences of the other ECE multilateral environmental agreements in that regard.[[1]](#footnote-2) The Bureau was to present the results of its reflections for consideration of the Working Group on Environmental Impact Assessment and Strategic Environmental Assessment at its eleventh meeting in December 2022 (and, as needed, for further consideration at its twelfth meeting (13–15 June 2023). Subsequently, once agreed, the financial proposals would be submitted to the Meetings of the Parties’ next sessions (12–15 December 2023).

2. At its meeting on 16 and 17 June 2021, the Bureau held initial discussions on the matter, reviewing its previous proposals for improving the financial situation under the two treaties since 2011 and beyond. It concluded, however, that it was premature to consider revising the financial arrangements for 2021–2023 only six months after their adoption. It agreed that it would be necessary for the Bureau and the Working Group to first see:

(a) To what extent the newly adopted financial scheme would be implemented, and in particular, whether all the Parties would fulfil their “duty to contribute to the sharing of the costs that are not covered by the United Nations regular budget”,[[2]](#footnote-3)

(b) To what extent the current financial scheme was sufficient in remedying the insufficiency of the funds to the trust fund.

3. At its tenth meeting (Geneva, 1–3 December 2021), the Working Group took note of the Bureau’s above conclusions and asked the Bureau, in advance of the Working Group’s present meeting, the implementation and the effectiveness of the present financial scheme, and on its basis, if required, to present possible new proposals.[[3]](#footnote-4) The secretariat presented information about the recently adopted financial arrangements and approaches under the other ECE Multilateral Environmental Agreements (MEAs) to both bodies. The Bureau noted that those arrangements and approaches were basically identical to the ones under the Espoo Convention and its Protocol, but that, the respective budgets and the secretariat’s staff resources of the other MEAs were nevertheless substantially larger.

 II. The Bureau’s conclusions

4. At its last meeting (Geneva, 9 and 10 June 2022), the Bureau continued its consideration of the financial matters.

 A. Implementation and effectiveness of the present financial scheme

5. The Bureau reviewed the draft financial report covering the year 2021 together with updated information on the contributions received to the trust fund or pledged by Parties until the end of May 2022. On that basis, it assessed the implementation and the effectiveness of the present financial scheme, as set out in decision VIII/1–IV/1.

6. The Bureau welcomed the contributions received thus far (in 2021 and 2022), appreciating, in particular, that, some Parties had substantially increased their contributions (in particular, Italy but also France and Luxembourg) and that a few Parties that had not previously contributed to the treaties’ trust fund had done so (e.g. Portugal and Spain). It also observed that the total number of Parties that contributed or that had pledged funding had increased.

7. In contrast, the Bureau:

(a) Regretted that, halfway through the present intersessional period, and despite reminders by the secretariat, 14 (or 30%) of the 45 Parties to the Convention had not yet contributed any funds to the trust fund. Seven of those Parties had also not made any commitments for sharing of the workplan costs despite their duty to do so further to decision VIII/1–IV/1;

(b) Noted that the majority of the Parties’ contributions were relatively small, with amounts ranging from $500 to $10,000 per year;

(c) Observed that the share of earmarked funding had increased, which limited the funding’s allocation for the priority costs, that is, the extrabudgetary secretariat staffing;

(d) As in the past, witnessed a substantial shortfall between the agreed budgetary requirements and the Parties’ pledges and contributions this far, as well as an important unpredictability of the funding;

8. From the side of the expenditures, the Bureau noted savings thus far, in particular in travel support to meetings that were held with remote participation, and the travel of secretariat.

9. As a result of its “mid-term review” of the financial situation, the Bureau concluded that, in June 2022, half-way through the intersessional period, and despite the higher number of Parties that had pledged funding, the number of Parties (21) that had actually contributed to the trust fund by then had not increased from the previous period. Moreover, the amounts of most of the contributions remained small. Consequently, judging from the funding provided by Parties thus far – the funding was likely not be sufficient to cover all the budgetary requirements agreed by the Meetings of the Parties in December 2020.[[4]](#footnote-5)

 B. The secretariat’s staffing gaps

10. The Bureau underscored that the secretariat remained acutely understaffed for servicing two legal instruments. For executing the core secretariat functions for the two legal instruments, the secretariat had only two professional staff members: the Secretary to both treaties (funded through the regular budget of the United Nations) and one staff member funded by Parties’ voluntary contributions to the trust fund since 2001. Their work was supported on a part-time (60 per-cent) basis by a regular-budget funded administrative staff-member.

11. The Bureau observed that the secretariat’s staffing had not been increased in over 20 years, despite the considerable and steady increase in demands on the secretariat after the adoption and the entry into force of a Protocol to the Convention and the multiplication of the Parties, treaty bodies, meetings and activities over these two decades. The number and the complexity of the compliance matters alone had increased exponentially in the past ten years, and resulted on three occasions (in 2014, 2017 and 2019) to complicated negotiations and a lack of consensus by the Meeting of the Parties to the Convention. The coordination efforts and partnerships with other relevant treaties and processes, and outreach activities had also expanded, together with the burden from the UN administrative procedures. In the future, the workload is expected to further increase, with the Convention’s expected opening to all the States Members of the United Nations and both treaties’ application beyond the UNECE region.

12. In addition, over the past decade, to meet the important demands for technical assistance and capacity building in Eastern Europe, the Caucasus and Central Asia, the secretariat has raised extensive project funding, in particular from the European Union (EaP GREEN in 2013–2018 and EU4Environment in 2019–2023; “Supporting Kazakhstan’s Transition to a Green Economy Model” in 2016–2018), to which have added the generous earmarked contributions from Germany and Switzerland for the secretariat to assist Central Asia. With this funding the secretariat could greatly facilitate legal reforms and enhance the implementation of the Convention and the Protocol in the countries. However, the funding for capacity building has not increased the resources for the core functioning of the secretariat. On the contrary, the fund-raising, the preparation of project proposals, the recruitment, training and supervising of project staff and/or consultants, as well as the coordination, reporting, audit and evaluation requirements by the donors and the UN administration have considerably increased the workload of the two-person secretariat.

13. In 2021 and 2022, the extended sick leaves of one staff member, the temporary staffing arrangements and the uncertainties regarding their duration have had a toll on the functioning of the secretariat, further illustrating the critical nature of the secretariat’s resource constraints and its disproportionate workload. The Bureau observed that the secretariat was too thinly staffed to absorb staff absences, inefficiencies, changes, and instability - which were, at times, unavoidable - without that leading to important backlogs, delays and/or cancellations of the workplan deliverables and adding further strain on the remaining staff member.

14. The above-described factors have added further challenge for the secretariat to manage the peak workloads, including preparing and organizing the 2023 sessions of the Meetings of the Parties and the preceding meetings of the Bureau, the Implementation Committee and the Working Group. That is likely to affect to a certain degree the preparatory process, and the scope of the meetings and their documentation. In the event of any further resource related limitations, staff absences or changes in 2023, the UNECE secretariat could no longer guarantee the organization of these meetings.

15. The Bureau acknowledged that that the secretariat had been permanently stretched and under pressure to handle excessive workloads and demands since a long time. It appreciated the secretariat’s dedication and efforts to administer and support the operation and implementation of the two treaties and their workplans and to service the treaty bodies. However, the secretariat could no longer be expected to deliver considerably increased demands with resources that had remained unchanged for 20 years. The Bureau agreed that these resources had to be increased for the secretariat to continue to ensure the smooth functioning of and the core services to the two treaties, or, alternatively, the secretariat’s tasks should be reduced and readjusted.

16. Based on the staffing figures of the UNECE Environment Division presented by the secretariat, the Bureau observed that the other Convention and Protocol secretariats had significantly (three to seven times) more human resources for servicing their respective treaties. The other UNECE MEAs had covered their increased staff resource needs through extrabudgetary funding, via increased voluntary contributions from their respective Parties. Some of them also had some more regular budget staff, due to historical reasons. The secretariat to the Espoo Convention and the Protocol was by far the smallest of the UNECE treaty secretariats. Yet, the secretariats of all the other UNECE MEAs also still suffered from limited resources and requested for further extrabudgetary funding.

17. The secretariat pointed out that, as a rule, multilateral environmental agreements, which enjoyed legal autonomy and decision-making was under the purview of their Parties, were entirely funded by their contracting Parties. The conventions and protocols serviced by UNECE were exceptions to this rule with funding coming from both the United Nations regular budget (targeted to some secretariat support and conference services) and from contributions (cash and in-kind) by Parties.

 III. The Bureau’s proposals for increasing the funding in 2024–2026 and beyond

18. Having concluded on the insufficiency of the present financial scheme thus far in remedying the resource constraints for the Espoo Convention and the Protocol, and the acute staffing gaps of their secretariat, the Bureau explored possible solutions for improving the resource situation.

19. It recalled that, over the past decade, the Meetings of the Parties to the Espoo Convention and its Protocol had consistently acknowledge the insufficiency, uneven distribution and unpredictability of Parties’ contributions and the severe staffing constraints of the secretariat. However, since 2001 Parties funding had not substantially increased and they continued to fund only one professional post - and no/or limited admin. support - to the secretariat.

20. The Bureau further recalled that several Parties had not supported the Bureau’s previous proposals for improving the financial situation, involving, namely, a mandatory scheme of contributions and the use of the adjusted United Nations scale of assessment. The Bureau considered that while those past proposals remained relevant, it estimated it unlikely that the Meetings of the Parties would reach a consensus on them at their sessions next year.

21. The Bureau observed that according to the available documentation and consultations by the secretariat with the other treaty secretariats, the financial arrangements under the other UNECE environmental treaties were nearly identical/very similar to those adopted under the Espoo Convention and its Protocol.[[5]](#footnote-6) It also observed that all the other UNECE Convention and Protocol secretariats were considerably larger than the Espoo Convention secretariat thanks to the extrabudgetary funding provided by the respective Parties. It further observed that all of the other UNECE environmental treaties nevertheless faced difficulties in securing stable and sufficient funding.

22. In the light of the above, the Bureau concluded that the magnitude of the Parties’ financial contributions, reflected above all national funding priorities. The comparison of the available resources and sizes of the secretariats across the treaties therefore indicated that the other UNECE Conventions and their Protocols seemed to be of a relatively higher priority for countries in the ECE region than the Espoo Convention and its Protocol. The Bureau regretted that situation, as in its view, the extent of the resource constraints under these two treaties strongly contrasted with the frequency of their application and the benefits that they had demonstrated over the decades.

23. The Bureau proposed that Parties should be invited to:

(a) Fund one additional professional staff position to the secretariat by the next intersessional period 2024–2026 to support the core secretariat functions (the organization of meetings of the treaty bodies, the preparation of documentation, and other tasks necessary for ensuring the functioning of the Convention and the Protocol and the coordination and visibility of their activities, and support to the review of compliance, reporting and the review of implementation).[[6]](#footnote-7) An increase from two to three professional staff members would constitute a minimum and a modest improvement: with the Convention and the Protocol secretariat still remaining very small in comparison with its tasks and the other treaty secretariats;

(b) Continue to budget for an administrative staff member at 50 per cent, and provide for the corresponding funding.[[7]](#footnote-8)

24. To Bureau acknowledged that, to be sustainable, the staff increase should be stable and long-term. Relying on ad-hoc financing for short term solutions (e.g. consultants, temporary staff, or interns) would not only not address the problem but would aggravate the burden on the secretariat which needed to dedicate its limited resources to repeatedly carry out hiring, training and other administrative procedures. Similarly, relying on project financing was not suited to the nature of the work to be carried out and would not be sustainable.

25. Regarding the further fundraising, the Bureau:

(a) Recommended that the national focal points to the Espoo Convention and its Protocol be invited to play the primary role in raising awareness of the two treaties and their benefits within the Governments with a view to mobilizing further funding for them, including through a possible readjustment of the national funding priorities;

(b) Invited the Bureau members to encourage their own countries and also other Parties to contribute or to increase their contributions;

(c) Reiterated that fundraising was not the responsibility of the secretariat and beyond its limited capacities.

26. Moreover, to flag the need for additional staff resources for the secretariat’s core functions, the Bureau:

 (a) Invited the Executive Secretary of UNECE, in the last quarter of 2022 (in November), to send letters to environment ministers and foreign ministers of all the Parties;

(b) Mandated its representatives to meet with the Executive Secretary in the margins of the Ninth Environment for Europe Ministerial Conference (Nicosia, 5–7 October 2022) to inquire about further United Nations regular budget resources for the secretariat. On 6 October, the Chair of the Bureau for the Convention matters and the Bureau member from Switzerland met with the Executive Secretary. She confirmed the genuine wish of UNECE to continue to provide high-quality services to the Parties, the treaty bodies and stakeholders and to promote the treaties’ implementation within and beyond the UNECE region and was concerned about the long-standing serious resource constraints. She stressed that the General Assembly of the United Nations (which represented the 193 States members of the United Nations) was not expected to allocate any further regular budget staff resources for UNECE, and that, on the contrary, over the years, such resources had only been reduced and its staff posts successively cut. She also clarified that the reallocation of the existing regular budget funding from other UNECE programmes would not be feasible, as all the staff posts were fully utilized, and taking resources away from any of them would trigger complaints from the Member States under the respective programmes. The Executive Secretary thanked the Bureau for its efforts to advocate for further resources and confirmed her willingness to continue to support those efforts, by writing letters to Parties to invite them to provide more extrabudgetary funding, as requested by the Bureau.

27. In addition to mobilizing further contributions to the trust fund, including to cover an additional staff post in the secretariat, Parties should be encouraged to:

 (a) Sponsor a Junior Professional Officer (JPO) to support the secretariat;

 (b) Provide in-kind contributions for the implementation of workplan activities.

28. The Bureau reiterated that the Junior Professional Officers Programme[[8]](#footnote-9) represented an opportunity for mobilizing additional secretariat resources from some donors (for 1 up to three years, depending on the donor country), and should continue to be encouraged. However, while JPOs were a welcome opportunity to strengthen the secretariat, the Programme was not intended to address resources gaps in the secretariat. The missing resources to support the core functions of the secretariat could not be filled through a succession of JPOs

 IV. The implications of the lack of additional resources

29. The Bureau agreed that if, due to other funding priorities, the Parties to the Convention and its Protocol could not provide additional funding for the core secretariat functions, the workplans should be adjusted accordingly. The Parties should streamline and reduce the workload and activities of the secretariat to align them with its limited resources, ensuring that the demand for activities and services from the secretariat matched the offer of funding.

30. In absence of a staff increase, i.e. with only two professional staff members and a part time administrative support, the secretariat can endeavour to maintain “minimum services” as regards the organization of meetings, preparation of the documentation and the other management, coordination and visibility related activities (item I of the workplan for 2021–2022), as well as, to support to the extent feasible the review of compliance, reporting and the review of implementation (items II A and B of the workplan). However, preparation of the meeting documentation and the review of compliance process should be somewhat streamlined to reduce the secretariat’s inputs. The secretariat would no longer be able to implement nor to contribute to several other activities; including to organize thematic events for the exchange of good practices during the meetings; engage in strategic actions; support and coordinate regional cooperation; raise funding for and administrate, facilitate and coordinate legislative assistance and capacity building activities; or undertake outreach activities.

31. At its next meeting (Geneva, 22 and 23 February 2023), the Bureau, with the support of the secretariat, can be invited to prepare a draft workplan for the next period (2024–2026) for agreement of the Working Group at its twelfth meeting (Geneva, 13–15 June 2023), taking into account the proposals to be put forward by the Working Group at its present meeting.

32. The secretariat, the Bureau, and, later, the Working Group, will be able to propose and budget workplan activities that are realistically implementable and affordable, only if the amount of funding to be provided by Parties for the next period is known to them as early and as accurately as possible. Consequently, the Bureau emphasized that Parties should be invited to provide information on their pledges in advance of the next meeting of the Bureau, by early February, and, latest, in advance of the twelfth meeting of the Working Group, (Geneva, 13–15 June 2023).

1. See ECE/MP.EIA/30/Add.1–ECE/MP.EIA/SEA/13/Add.1, decision VIII/1–IV/1, para. 13. [↑](#footnote-ref-2)
2. Decision VIII/1–IV/1, para. 1. [↑](#footnote-ref-3)
3. ECE/MP.EIA/WG.2/2021/2, paras. 52 and 53. [↑](#footnote-ref-4)
4. See ECE/MP.EIA/30/Add.1–ECE/MP.EIA/SEA/13/Add.1, decision VIII/1–IV/1, para. 8 and decision VIII/2–IV/2, annex II. [↑](#footnote-ref-5)
5. Except for the EMEP Protocol to the Convention on the Long-range Transboundary Air Pollution that provides for a mandatory funding scheme based on the adjusted UN scale of assessment. [↑](#footnote-ref-6)
6. See work area I on management, coordination and visibility of intersessional activities, as well as items II.A and B, in the workplan for 2021–2023, decision VIII/2–IV/2, ECE/MP.EIA/30/Add.1.–ECE/MP.EIA/SEA/13/Add.1, annex I. [↑](#footnote-ref-7)
7. For the resource requirements for one professional post at a P-3 level and one administrative/”General service” post at a part time (50%) basis, please see annex II to the workplan for 2021–2023, decision VIII/2–IV/2. [↑](#footnote-ref-8)
8. https://www.un.org/development/desa/jpo/about/ [↑](#footnote-ref-9)