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MEDITERRANEAN ACTION PLAN

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82<sup>nd</sup> Meeting of the Bureau of the Contracting Parties to the  
Convention for the Protection of the Marine Environment  
and the Coastal Region of the Mediterranean and its Protocols

Athens, Greece, 19-20 April 2016

**Agenda item 4: Update on Financial Situation**

**Report by the Secretariat on Financial and Administrative Issues**

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UNEP/MAP  
Athens, 2016

## I. FINANCIAL SITUATION AND PROPOSALS FOR 2016

1. As reported at COP 19, the MTF fund balance continued to be positive through 2015. The fund balance improved from a positive USD 2.5 million as at 31 December 2013 to USD 5.3 million<sup>1</sup> as at 31 December 2014 and remained positive in 2015. As at mid-March 2016, UNEP HQs are in the process of finalizing the 2014-2015 account and an interim financial statement has not yet been issued. It is expected that the interim statement will be provided in April/May 2016. Some delays have been experienced in the issuance of the statement due to complexity of combining data from the legacy system (IMIS) and the new system (Umoja), launched in June 2015, and aligning them to be in compliance with IPSAS requirements. The figures will be finalized when the interim UNEP financial statement is reviewed by the UN Auditors in mid-2016.

2. The fund balance of the host country account (CAL) improved from negative USD 383,000 as at 31 December 2013 to a negative USD 53,000 as at 31 December 2014. This is mainly due to the loan provided by UNEP HQs in order to maintain the cash balance positive as required by Umoja and explained to the previous Bureau meetings (78<sup>th</sup>, 79<sup>th</sup> and 80<sup>th</sup>). The outstanding balance of USD 93,000 from the 2014 contribution as well as the full 2015 contribution of USD 400,000 were received from the Host Country at the end of 2015. The deficit recovery of USD 150,000 (USD 75,000 for each year 2014 and 2015) has been, therefore, arranged. The end of 2015 figures for the CAL fund will be presented by UNEP HQs in an interim financial statement which is expected to be issued in April/May 2016. The repayment of the USD 170,000 loan from UNEP HQs will be arranged in 2016.

3. As reported at COP 19, the collection rate of the contributions in 2015 reached a high rate of 97.3%. The status of contributions as of 31 December 2015 is presented in Annex I. Four Contracting Parties (Croatia, Israel, Monaco, and Slovenia) have already paid their 2016 contributions as of 15 March 2016; however, these contributions were based on the provisional invoices (or “notifications” as defined by the Bureau). The collection rate as at 15 March 2016 is 3.7%.

4. Preparation of the final invoices for 2016 contributions as approved by COP 19 was initiated immediately after the COP 19 and invoices were dispatched to the respective Contracting Parties in February-March 2016. An invoice for the 2016 EU Discretionary Contribution was also prepared and sent out to the European Commission at the beginning of March 2016.

5. Rule 42 of the Rules of Procedure of the Barcelona Convention stipulates that a Contracting Party that is more than twenty-four months in arrears with its contribution shall not be entitled to vote. This is further elaborated in Procedure 4 of the Financial Regulations and Rules and Procedures, Decision IG 21/15 of COP 18.

6. As of 15 March 2016, two countries had arrears over 24 months, and in light of the above, the Secretariat proposes the following course of action for review and guidance by the Bureau (see Annex I, contribution table for more details):

a. Libya EUR 463,662 (arrears since 2011)

The Secretariat had several meetings with the Ambassador of Libya in Greece regarding the payment of the arrears. However, no concrete payment schedule as stipulated in Procedure 4, para. 2 (e) of the Financial Regulations and Rules and Procedures, was agreed to due to the current situation of the Country. The Secretariat will continue the dialogue with the Libyan Authorities towards an agreed payment schedule and report to the 83<sup>rd</sup> Bureau meeting on the progress achieved.

b. Syrian Arab Republic EUR 75,168 (arrears since 2011)

The Focal Point participated in the MAP Focal Points meeting held in October 2015, and informed the Secretariat that Syria is willing to pay its arrears and subsequent contributions on time, however, due to the ongoing embargo is unable to make any international fund transfer. In order to overcome this situation and after consultation with

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<sup>1</sup> The figure is exclusive of unpaid pledges for 2015 recorded as income by the UNEP HQs.

the UN HQs in New York, it was agreed to channel the contribution of the Government of Syria through UNDP-Damascus. The Focal Point initiated the payment request internally. The Secretariat will continue following up on this matter and report to the 83<sup>rd</sup> Bureau meeting on the progress achieved.

**Proposed Recommendations:**

- (a) The Bureau notes with appreciation the high percentage of contributions received for the year 2015.**
- (b) The Bureau welcomes the early payments of contributions by Croatia, Israel, Monaco and Slovenia and requests the other Contracting Parties to pay their 2016 contributions and arrears as soon as possible.**
- (c) The Bureau takes note with concern of the two cases of arrears over 24 months and endorses the Secretariat's approach to solve them. The Bureau requests the Secretariat to continue its efforts to collect the arrears and report to the Bureau and to the Contracting Parties on the outcome of its action, as per Procedure 4 of the Financial Regulations and Rules and Procedures.**

7. The MAP system was operating on an interim budget on an exceptional basis prior to COP 19 which covers only personnel and operational costs. The funds from the Working Capital Reserve as well as the balance rephased from 2015 budget were used to cover the costs. Currently the process is ongoing to reflect the budget approved by COP 19 including the activities costs and the RACs will report on their expenditures in mid-2016. An update on the expenditures will be provided at the 83<sup>rd</sup> Bureau meeting.

8. In accordance with paragraph 7 of COP 18 decision on the Programme of Work and Budget (Decision IG.21/17), a working capital reserve was established in July 2014 and a total EUR 831,000 was transferred to it by the end of 2015.

## **II. CONSULTANCY REPORTING**

9. The hiring of consultants funded by the MTF/EU Discretionary funding continues to be minimized. It remained at a low level of 29% of in 2015, as shown in the summary consultancy table (Annex II).

## **III. PERSONNEL MATTERS**

10. The status of recruitment is summarized below:

P5 Deputy Coordinator (Position No: 30600864): The post was advertised in the UN recruitment system INSPIRA for 60 days with a deadline for applications of 7 February 2016. Recruitment is underway.

P4 Programme Officer (Governance) (Position No: 30600865): The post was advertised in the UN recruitment system INSPIRA for 60 days with a deadline for applications of 29 August 2015. The selection is in the final stages.

P3 Legal Officer (Position No: 30605901): The post was advertised in the UN recruitment system INSPIRA for 60 days with a deadline for applications of 18 September 2015. Interviews were held and recruitment is in progress.

P3 Pollution Officer (Position No: 31005935): The post was classified at P3 level and will be advertised in INSPIRA in due course.

P3 Socio-economic Activities/Sustainable Development Officer (Position No: 31003291): The post was classified at P3 level and will be advertised in INSPIRA shortly.

G5 Programme Assistant (Governance) (Position No: 30600872): the selected candidate, Ms Elli Sfyroeras, reported for duty as at 4 January 2016.

G5 Programme Assistant (Ecosystem Approach Project, EcAp-MEDII): the post was created and classification is underway.

11. The above positions will be filled based on funds availability in 2016. In addition, the Secretariat is seeking to secure other necessary human resources through the Junior Professional Officers Programme (JPO), non-reimbursable loan of experts' scheme, and UN Volunteer programme.

**Proposed Recommendation:**

**The Bureau takes note of the status of recruitment at the Coordinating Unit and encourages the Contracting Parties who may be able to do so to contribute human resources to the Secretariat through JPO and other similar schemes.**

**Annex I**  
**Status of 2015 contributions as at 31/12/2015**

**Annex I**  
**Status of 2015 contributions as at 31/12/2015**

Country	Unpaid Pledges for 2014 and Prior years	Pledges for 2015	Collections for 2015	Unpaid Pledges for 2015
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Albania	0	3.596	3.596	0
Algeria	0	51.786	0	51.786
Bosnia & Herzegovina	0	11.127	11.127	0
Croatia	0	47.747	47.747	0
Cyprus	0	11.667	11.667	0
Egypt	0	35.779	35.779	0
European Union	0	138.499	138.499	0
France	0	1.978.545	1.978.545	0
Greece	0	183.561	183.561	0
Israel	0	106.342	106.342	0
Italy	0	1.605.991	1.605.991	0
Lebanon	0	8.899	4.831	4.068
Libya	385.566	78.096	0	78.096
Malta	0	4.590	4.590	0
Monaco	0	3.927	3.927	0
Montenegro	0	1.476	1.476	0
Morocco	0	18.030	17.836	194
Slovenia	0	35.129	35.129	0
Spain	0	907.877	907.877	0
Syrian Arab Republic	61.446	13.722	0	13.722
Tunisia	0	11.782	11.782	0
Turkey	0	282.403	282.403	0
<b>T O T A L</b>	<b>447.012</b>	<b>5.540.571</b>	<b>5.392.704</b>	<b>147.867</b>

**Additional Contributions for information only**

	Expected contribution	Received contribution
European commission	598.569	598.569

	Expected contribution	Received contribution
Greece	306.800	370.000

**Annex II**  
**Table of Consultancy Costs**

Consultancy costs between 1 January - 31 Dec 2015 (in EUR)		
Component	Description	Jan to June
<b>C.Unit</b>	Med Trust Fund/EU Discretionary	416,172
	Other funding	77,422
	<b>Sub-total</b>	<b>493,594</b>
<b>MEDPOL</b>	Med Trust Fund/EU Discretionary	0
	Other funding	603,370
	<b>Sub-total</b>	<b>603,370</b>
<b>BP</b>	Med Trust Fund/EU Discretionary	44,100
	Other funding	496,901
	<b>Sub-total</b>	<b>541,001</b>
<b>PAP</b>	Med Trust Fund/EU Discretionary	186,485
	Other funding	552,771
	<b>Sub-total</b>	<b>739,256</b>
<b>REMPEC</b>	Med Trust Fund/EU Discretionary	12,284
	Other funding	132,000
	<b>Sub-total</b>	<b>144,284</b>
<b>SPA</b>	Med Trust Fund/EU Discretionary	285,760
	<b>Other funding</b>	219,431
	<b>Sub-total</b>	<b>505,191</b>
<b>SCP</b>	Med Trust Fund/EU Discretionary	0
	<b>Other funding</b>	268,625
	<b>Sub-total</b>	<b>268,625</b>
	Med Trust Fund/EU Discretionary	<b>944,801</b>
<b>Total</b>	Other funding	<b>2,350,519</b>
	<b>Grand Total (in EUR)</b>	<b>3,295,320</b>
	<b>Percentage MTF/EU over total</b>	<b>29%</b>

\*Vendors and Implementing Partners are included under some Components.

\*\*Under the CU, EUR 51,965 for translations for the Bureau/MCSD/ECAP/Compliance is committed.