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Agenda Item 4: Report by the Secretariat on Financial and Administrative Issues

Report by the Secretariat on Financial and Administrative Issues

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FINANCIAL SITUATION AND PROPOSALS

I. Financial Matters

A. Fund Balances

1. The financial closure of the year 2022 is ongoing, and the final closing balance of the Mediterranean Trust Fund (MTF) has not been finalized. The certified and audited financial statements for the year 2022 will be shared with the Bureau when they become available.

Proposed Recommendations:

(a) The Bureau requests the Secretariat to share the certified and audited financial statements for the year 2022 as soon as they are available;

B. Contributions

2. As of 30 April 2023, the collection rate of the Assessed Ordinary Contributions to the MTF had reached 98.42% for the year 2022 and 29.32% for the year 2023. The comprehensive status of contributions as of 30 April 2023 is presented in Annex I.

3. The in-year collection rate of 29.32% achieved by the end of April 2023, reflects a reduction compared to that of 76.73% achieved by the end of April 2021 in the previous biennium. It also reflects an increase compared to that of 5.46% achieved by the end of April 2022 in the current biennium.

4. As of 30 April 2023, four Contracting Parties were in arrears for more than two years, as detailed in the table below.

Country	Contributions in Arrears	Years
State of Libya	EUR 689,264	2011-2022
Algeria	EUR 288,249	2017-2019, 2021-2022
Syrian Arab Republic	EUR 125,968	2011-2022
Lebanon	EUR 84,548	2016, 2019-2022

5. In line with Procedure 4.2.d of the Financial Regulations and Rules and Procedures for the Contracting Parties, its subsidiary bodies and the Secretariat of the Barcelona Convention, the Coordinator had written to those Parties whose contributions had not been received by the 1st July of year 2022, to impress upon them the importance of paying their respective contributions for the year as well as arrears for prior periods. In line with Procedure 4.2.e of the Financial Regulations and Rules and Procedures, the Coordinator has proposed to the four Parties whose contributions are in arrears for two or more years, a payment schedule to enable them to clear all outstanding arrears within a maximum of six years and to pay future contributions by their due dates. The Secretariat is continuing its efforts with the relevant national authorities. Regarding the outstanding payments of the Government of Algeria, the Deputy Permanent Representative of Algeria to the UN in Nairobi informed the MAP of the payments of their 2022 annual contribution, amounting to EUR 50,469.00, as well as the initial installment of EUR 39,630 intended for settling the arrears in the framework of the agreed repayment plan for the MTF. However, due to some technical reasons, the funds did not successfully reach the UNEP account and were subsequently returned to the Government of Algeria. Currently, the government is in the process of transferring the funds to UNEP once again. The UNEP Contribution Unit will notify the MAP Secretariat upon receipt of the funds.

6. Concerning the arrears of the Government of Syria, the Secretariat had the opportunity to meet in March 2023 with Syria's MAP Focal Point, Mr. Muhammad Daher, on the sideline of the CorMon

Meetings held in Athens, Greece. He confirmed the difficulties facing the Syrian government to meet its financial obligations due to current financial sanctions imposed on Syria. He indicated, however, that a window of opportunity exists to settling the payments of past contributions and that the Syrian government is actively pursuing this matter. The Secretariat recognized the Syrian response in an official letter sent to the Syrian Minister of Local Administration and Environment on 5 April 2023. Attached to the letter was a copy of the 2023 Invoice showing Syria's arrears along with the banking details for execution of payment.

7. In parallel, the Secretariat contacted Mr. Yahya Arnous, the Operation Manager of UNDP Syria Country Office, who confirmed that UNDP Syria can facilitate the receipt of contributions from the Government of Syria through the inter-Agency accounting mechanism using an account known as SCA (Service Clearing Account). The following steps to be followed: 1. UNEP (the receiving agency) confirms their acceptance to receive the contribution through UNDP Syria's local bank account and record it against the SCA based on the UN rate at the date of receiving of the fund at UNDP Syria Account; 2. UNDP Syria obtains the treasury's approval (if the amount is more than \$50k); 3. UNDP Syria informs UNEP of the approval as well as the Government of Syria and provides them with banking details of UNDP Syria's local bank account 4. Once the funds are received, UNDP Syria coordinates with UNDP HQs to initiate crediting the contribution to UNEP's SCA.

8. The Secretariat will continue formal and informal follow-up actions with representatives of the above-mentioned Contracting Parties whenever the opportunity arises.

Proposed Recommendations:

- (b) The Bureau notes with appreciation the contributions received for the years 2022 and 2023 and encourages the Contracting Parties which did not pay to do so as soon as possible;**
- (c) The Bureau draws the attention of the Contracting Parties to adhere to Procedure 4.2.b of the Financial Regulations and Rules and Procedures, which states that contributions for each calendar year are expected within the first quarter of that year and should be paid promptly and in full;**
- (d) The Bureau encourages the Contracting Parties in arrears to pay them as soon as possible, while noting the specific circumstances of each Contracting Party in arrears;**
- (e) The Bureau supports the efforts made by the Secretariat and urges the Secretariat to continue its efforts to maximize the collection of contributions and arrears in line with the Financial Rules and Procedures;**

C. Financial Implementation of the Programme of Work and Budget 2022-2023

9. The Financial Implementation of the Programme of Work and Budget 2022-2023 is progressing well and the level of the budget consumption for the biennium had reached approximately 70% as of 31 March 2023¹.

Proposed Recommendation:

- (f) The Bureau takes note of the status of the financial implementation of the Programme of Work and Budget 2022-2023 and requests the Secretariat to continue making all possible efforts to achieve its full implementation;**

¹ This is the budget consumption level for MTF (Assessed Ordinary Contributions and EC Discretionary Contribution).

II. CONSULTANCY REPORTING

10. During the year 2022, the consultancy costs were funded by the MTF/EC Discretionary Contribution at a rate of 21%. During the first three months of the year 2023, the consultancy costs were funded by the MTF/EC Discretionary Contribution at a rate of 40%. MAP Components are continuing the efforts to utilize mainly and on a priority basis external funding resources for the consultancies and to use MTF complementary, as need be, in most of the cases and apart from the cases where consultants/individual contractors are recruited to execute functions similar to vacant staff posts. The summary of the consultancy costs for the year 2022 and for the period January to March 2023 is presented in Annex II.

III. PERSONNEL MATTERS

11. The recruitments status is summarized below:

P5 Deputy Coordinator (position No. 30600864): Mr. Gabino Gonzalez Deogracia (Spanish national) was selected for the position and reported for duty at UNEP/MAP on 1 December 2022.

P5 Senior Programme Officer (MedPol) (position No. 31046424): Recruitment was launched and post was advertised under JO 192951 in Inspira with a deadline for applications of 8 January 2023. Recruitment is underway.

P3 Programme Management Officer (Socio-Economic and Sustainable Development) (position No. 31046424): Recruitment was launched, and post was advertised under JO 189200 in Inspira with a deadline for applications of 10 November 2022. Interviews took place and the case is under review by Headquarters.

G6 Meetings and Procurement Assistant (position No: 30606486): Recruitment for temporary replacement was launched, and post was advertised under TJO 197003 in Inspira with a deadline for applications of 1 January 2023. Recruitment is underway.

G5 Programme Management Assistant (EcAp MED III Project and Marine Litter MED II) (position No: 31009278): The post was advertised under JO 181377 in Inspira with a deadline for applications of 28 July 2022. Proposal for candidate selection was submitted to Headquarters for approval and it is expected that the selected candidate reports in the coming months.

G5 Temporary Finance and Budget Assistant (IMAP MPA EU Project): (position No: 30606487): The temporary post was advertised under TJO 199600 in Inspira with a deadline for applications of 31 January 2023. Recruitment is underway.

G4 MedPol/Coordinating Unit Team Assistant (position No. 31046426): Recruitment was launched and post was advertised under JO 190229 in Inspira with a deadline for applications of 29 October 2022. Proposal for candidate selection was submitted to Headquarters for approval and it is expected that the selected candidate reports in the coming months.

G4 Administrative Team Assistant (position No. 30600877): the post became vacant as at 1 July 2021 following the promotion of Mr. Apostolos Apostolopoulos to the post of Administrative Assistant (payments and travel). The recruitment process was launched and the vacancy is expected to be launched soon.

Reference is made to the Resolution adopted by the United Nations Environment Assembly on 2 March 2022, (UNEP/EA.5/Res.13), due regard to the principle of equitable geographical distribution, in accordance with paragraph 3 of Article 101 of the Charter of the United Nations, to which the MAP is requested to comply with by UNEP HQs within the mandate and framework of the Barcelona Convention. This new development affects recruitments which so far were carried out in accordance with the "Recommendations on MED Unit, MED POL and RACs structure" approved by Contracting Parties, at COP11 (Tunis (Tunisia),

18-21 November 1997), stating that “The principle of equitable geographical distribution within the Mediterranean region should be respected whenever vacant or new internationally recruited posts are to be filled.”

Proposed Recommendations:

(g) The Bureau takes note of the status of recruitment;

IV. OTHER MATTERS

A. Premises of the Secretariat

12. Paragraph 14 of Decision IG.24/14 on the PoW and Budget for 2020-2021 reads as follows: “Urge the Government of the Hellenic Republic to undertake all the required steps in order to ensure that fully adequate premises are made available to the Coordinating Unit within the shortest delay and in line with its commitments under the Host Country Agreement and request the Secretariat to report to the Contracting Parties and to the Bureau on the progress made”.

13. As a result of the continuous efforts of the Coordinating Unit to ensure the adequacy of the premises, discussions with the Greek Government and the hosting institute are taking place regarding the refurbishment of the current Secretariat premises. A plan has been developed in consultation with UNEP Headquarters and the host institution, which considers the necessary external expertise and timeline. The design was shared with the headquarters and host institution, and external expertise has been mobilized. However, the timing of the proposed construction work coincides with the host institute's façade refurbishment, requiring a joint construction permit submission that has significantly impacted the timeline. Consultation meetings have taken place to agree on the best way forward, and the Greek Government has been contacted for renewed support. As a result of the effort of the concerned, the MAP received a greenlight to submit an independent construction permit separately from that of the host institute. Taking into consideration the recent development, the work is expected to start in early 2024. The host country contribution will be utilized for the Secretariat premises refurbishment.

Proposed Recommendation:

(h) The Bureau takes note with appreciation of the efforts made with regards to the refurbishment of the premises and requests the Secretariat to accelerate the process with the support of the Greek Government and to report the final outcome of this process to the next Bureau meeting;

Annex I

Status of Contributions as of 30 April 2023

Status of Assessed Ordinary Contributions apportioned to the Parties of the Barcelona Convention as of 30 April 2023												
Ordinary Contributions to MTF												
Country	Unpaid Pledges for 2020 and prior years	Unpaid Pledges for 2021	Unpaid Pledges for 2022	Unpaid Pledges as of 31/12/2022		Pledges for 2022	Collections for 2022		Pledges for 2023	Collections for 2023	Unpaid Pledges for 2023	Deferred Income
	EUR	EUR	EUR	EUR		EUR	EUR		EUR	EUR	EUR	EUR
Albania	-	-	-	-		3,704	3,704		3,704	3,704	-	
Algeria	177,979	59,801	50,469	288,249		50,469	-		50,469	-	50,469	
Bosnia and Herzegovina	-	-	-	-		5,556	5,556		5,556	-	5,556	
Croatia	-	-	-	-		42,135	42,135		42,135	-	42,135	
Cyprus	-	-	-	-		16,669	16,669		16,669	-	16,669	
Egypt	-	-	-	-		64,360	64,360		64,360	-	64,360	
European Union	-	-	-	-		142,670	142,670		142,670	142,670	-	
France	-	-	-	-		1,999,323	1,999,323		1,999,323	-	1,999,323	
Greece	-	-	-	-		150,482	150,482		150,482	-	150,482	
Israel	-	-	-	-		259,755	259,755		259,755	-	259,755	
Italy	-	-	-	-		1,476,573	1,476,573		1,476,573	1,476,573	-	
Lebanon	47,512	20,367	16,669	84,548		16,669	-		16,669	-	16,669	
Libya (State of Libya)	667,930	13,000	8,334	689,264		8,334	-		8,334	-	8,334	
Malta	-	-	-	-		8,797	8,797		8,797	8,797	-	
Monaco	-	-	-	-		5,093	5,093		5,093	5,093	-	
Montenegro	-	-	1,852	1,852		1,852	-		1,852	-	1,852	
Morocco	-	-	-	-		25,466	25,466		25,466	-	25,466	
Slovenia	-	-	-	-		36,579	36,579		36,579	36,579	-	
Spain	-	-	-	-		988,086	988,086		988,086	-	988,086	
Syrian Arab Republic	117,034	4,767	4,167	125,968		4,167	-		4,167	-	4,167	
Tunisia	-	-	8,797	8,797		8,797	-		8,797	-	8,797	
Türkiye	-	-	-	-		391,252	391,252		391,252	-	391,252	
TOTAL	1,010,455	97,935	90,288	1,198,678		5,706,788	5,616,500		5,706,788	1,673,416	4,033,372	-

Year	2018	2019	2020	2021
Collection Rate	97.82%	98.12%	99.33%	98.28%

2022
98.42%

2023
29.32%

EC Discretionary Contribution												
						Expected contribution for 2022	Received contribution for 2022		Expected contribution for 2023	Received contribution for 2023	Open Receivable for 2023	
						EUR	EUR		EUR	EUR	EUR	
European Commission						596,484	596,484		596,484	596,484	-	

Host Country Contribution												
						Expected contribution for 2022	Received contribution for 2022		Expected contribution for 2023	Received contribution for 2023	Open Receivable for 2023	
						EUR	EUR		EUR	EUR	EUR	
Greece						344,800	380,120		344,800	-	344,800	

*Unpaid pledges for 2016 and prior years have been reduced in order for the receivable balances reflected on the current table to be in line with Umoja accounts, as reconciled in liaison with UNEP Contributions Unit: by EUR 42 for Algeria, by EUR 9,804 for the State of Libya and by EUR 1,509 for the Syrian Arab Republic.

Note: Financial Regulations and Rules of the United Nations: Regulation 3.5. Contributions and advances shall be considered as due and payable in full within 30 days of the receipt of the communication of the Secretary-General referred to in regulation 3.4 or on the first day of the calendar year to which they relate, whichever is later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears.

Annex II
Consultancy Reporting

Consultancy costs for the period: 1 January 2022 - 31 December 2022 (in EUR) *		
Component	Description	1 January 2022 - 31 December 2022
C.Unit	Med Trust Fund/EC Discretionary	58,113
	Other funding	475,554
	Sub-total	533,667
MEDPOL	Med Trust Fund/EC Discretionary	92,849
	Other funding	320,717
	Sub-total	413,566
PB/RAC	Med Trust Fund/EC Discretionary	34,223
	Other funding	166,491
	Sub-total	200,714
PAP/RAC	Med Trust Fund/EC Discretionary	169,028
	Other funding	435,075
	Sub-total	604,103
REMPEC	Med Trust Fund/EC Discretionary	88,763
	Other funding	125,597
	Sub-total	214,360
SPA/RAC	Med Trust Fund/EC Discretionary	104,102
	Other funding	633,086
	Sub-total	737,188
SCP/RAC	Med Trust Fund/EC Discretionary	50,713
	Other funding	93,144
	Sub-total	143,857
INFO/RAC	Med Trust Fund/EC Discretionary	0
	Other funding	0
	Sub-total	0
Total	Med Trust Fund/EC Discretionary	597,791
	Other funding	2,249,663
	Grand Total (in EUR)	2,847,454
	Percentage of MTF/EC Discr. over total funding	21%

* For the contracts in USD, the UN Operational Rate of Exchange for one United States Dollar (USD), effective at the end of the respective reporting period, is applied for the conversion of the amounts from USD to EUR. For the contracts in other currencies, the respective UN Operational Rates of Exchange for one United States Dollar (USD), effective at the end of the respective reporting period, are applied for the conversion of the amounts to USD and further conversion to EUR.

Consultancy costs for the period: 1 January 2023 – 31 March 2023 (in EUR) *		
Component	Description	1 January 2023 – 31 March 2023
C.Unit	Med Trust Fund/EC Discretionary	52,678
	Other funding	42,264
	Sub-total	94,941
MEDPOL	Med Trust Fund/EC Discretionary	25,413
	Other funding	0
	Sub-total	25,413
PB/RAC	Med Trust Fund/EC Discretionary	10,419
	Other funding	51,184
	Sub-total	61,603
PAP/RAC	Med Trust Fund/EC Discretionary	1,337
	Other funding	70,185
	Sub-total	71,522
REMPEC	Med Trust Fund/EC Discretionary	23,350
	Other funding	32,850
	Sub-total	56,200
SPA/RAC	Med Trust Fund/EC Discretionary	38,879
	Other funding	19,228
	Sub-total	58,107
SCP/RAC	Med Trust Fund/EC Discretionary	0
	Other funding	13,610
	Sub-total	13,610
INFO/RAC	Med Trust Fund/EC Discretionary	0
	Other funding	0
	Sub-total	0
Total	Med Trust Fund/EC Discretionary	152,076
	Other funding	229,321
	Grand Total (in EUR)	381,397
	Percentage of MTF/EC Discr. over total funding	40%

* For the contracts in USD, the UN Operational Rate of Exchange for one United States Dollar (USD), effective at the end of the respective reporting period, is applied for the conversion of the amounts from USD to EUR. For the contracts in other currencies, the respective UN Operational Rates of Exchange for one United States Dollar (USD), effective at the end of the respective reporting period, are applied for the conversion of the amounts to USD and further conversion to EUR.