





## **Measures to improve fund management and enhance delivery of the Programme of Work**

The purpose of this document is to present for Bureau consideration measures being implemented to increase efficiency and transparency in UNEP/MAP financial management and to enhance delivery of the Programme of Work (PoW).

These measures contribute to and advance implementation of the recommendations of the 2011 OIOS Audit Report on “the financial performance of the funds managed by UNEP for UNEP/MAP” which is presented to this Bureau (UNEP/BUR/72/Inf.3) as well as in the 2009 OIOS Audit Report on “the financial performance of the UNEP/MAP” and the Governance paper (UNEP (DEPI)/MED IG.17/10 Annex V Decision IG 17/5).

### **1. Improved Fund Management**

#### **1.1 Improved budgeting process**

The budgeting practice at the MAP has been reviewed and aligned with that of the UNEP HQs as well as the practice of its financial reporting to the Contracting Parties (COP), ensuring their compliance with the UN financial rules and regulations. The following aspects have been looked into:

##### **1.1.1 Budget reflects income projections accurately:**

Financial forecasting was corrected and inappropriate sources of income were removed from the draft budget proposal to be presented to the next MAP Focal Point meeting and the COP. As recommended by the 2011 OIOS Audit Report on “the financial performance of the funds managed by UNEP for UNEP/MAP”, following items which were traditionally included as MAP income in past years have been removed: “unpaid assessed contributions/pledges,” “income from bank interests” and “provision from the revolving fund”. Once the financial position of the MAP recovers, an “operational reserve” will then be built as per the decision of the 16<sup>th</sup> COP held in Marrakesh in Nov 2009 in line with the UN rules and regulations. The Mediterranean Trust Fund (MEL) biennium budget 2012-2013 will be based on the actual programmable income inclusive of 2.5% increase in the assessed contributions which is EUR 2.3 million less as compared to that approved for 2010-2011. Measures to adjust the budget for the Greek Host Country Contribution (CAL) to income and to eliminate the CAL deficit have also been undertaken and are presented in Section 3 of this report.

##### **1.1.2. A new budget format is applied for 2012-2013 biennium:**

In addition to ensuring that the budget is developed based on the correct financial forecast, a new budget format has been developed. The characteristic of the new format is:

**a. result-based**, in which budget allocations are aligned to the thematic areas and outputs of the Five-year Programme of Work (PoW);

**b. comprehensive**, in which all the financial resources required to achieve the PoW are captured as per the requirement in the Governance paper (UNEP(DEPI)/MED IG.17/10 Annex V Decision IG 17/5) including “external funding”, i.e. funding other than UNEP/MAP’s core financial resources such as Assessed Contribution, EU Voluntary Contribution, Host Country Contribution and the GEF and “parallel funding” to the Components, i.e. financial resources which are not channeled through UNEP’s account but directly paid to Components, to help the COP grasp the magnitude of the MAP activities as a whole,

**c. following logical flow**, in which a snap shot of the overview is presented first which is followed by details which are presented from different angles to help the COP better understand the nature of the budget proposal with ease,

**d. a fund mobilization tool**, in which amounts yet to be mobilized are presented to help countries to identify additional resources to make extraordinary and/or earmarked contributions based on the budget proposal.

See Annex I for further details.

#### 1.1.3 HQs Budget Review and Clearance:

Following the recommendation in paragraph 20 of 2011 OIOS Audit Report on “the financial performance of the funds managed by UNEP for UNEP/MAP”, UNEP HQs will review and clear UNEP/MAP budget prior to its submission to the COP. In so doing, UNEP will, inter alia, ensure that the MAP PoW and Budget is developed in line with the UNEP budgeting policy/procedures as well as the UN Rules and Regulations; review the adequacy of allocations for standard costs; and verify that no inappropriate items have been included in its income projection. In addition, for the first time itemized budgets were developed by MAP Components as the basis of preparing the PoW and Budget and not after the budget was approved by the COP. This will ensure greater accuracy in planning the respective allocations for each Component and will serve as a road map for implementing these components.

#### 1.1.4 Modified Expenditures Reporting Format:

In line with above changes in the budget format and presentation, from the next biennium, expenditures reporting format will also be adjusted to allow presentation of expenditures by thematic area and output for the COP to be able to compare the status of implementation/delivery of the outputs as compared to the approved plan.

#### 1.2 Strengthened Monitoring and Management of Cash Advances:

Measures were implemented since 2010 to strengthen monitoring and management of cash advances:

- No new advances to Regional Activity Centers (RACs) and other implementing partners will be made until the previous ones are justified and recorded in the accounting system. RACs and implementing partners were again reminded in July that cash advances had to be spent as planned and be fully reported to the MAP by the specified deadline.
- Full review of outstanding advances has been progressing as recognized by the 2011 OIOS Audit Report. During 2010, UNEP/MAP succeeded in reducing outstanding advances for more than 24 months by 15 percent. The remaining outstanding receivables are under review by UNEP and the process is expected to be completed by Feb 2012.
- Risk of non-recording of expenditures and the receivables pending for many years was eliminated as of 2010 when UNEP's Corporate Services Section (CSS) established a policy to obligate all cash advances in finance system and record them as expenditures when disbursed.

- Timeliness and consistency of data entry have been maximized by gradual decentralization of tasks from UNEP HQs to UNEP/MAP. Since Oct 2010, all expenditures reports submitted by partners have been recorded directly by UNEP/MAP Coordinating Unit. Raising cash advance requests will also be decentralized once IT technical challenges are overcome. The HQs continues to be responsible for overall oversight of management of cash advances of UNEP/MAP.
- With a view to ensure off-setting of advances with expenditures entries in sufficient and timely manner, a quarterly review system of the outstanding cash advances with the RACs was established by UNEP/MAP. For this purpose, a uniform quarterly expenditures reporting format was introduced which clearly indicates sources of funding from which the expenditures were made (whether the funds are provided from the MTF or other Voluntary Contributions), unspent cash advances, and cash requirement in the following quarter. With a view to avoid confusions and differences which may arise from exchange rate, all reporting by RACs is now done in EUR.

### 1.3 Mechanisms proposed to prevent allotments from exceeding available resources:

#### 1.3.1 Allotments to be phased in line with actual cash available

MTF pledges are no longer recorded as “income” until they are actually received, similarly with the treatment of earmarked contributions. This has a number of advantages: better alignment of the fund balance with the actual cash position; more accurate picture of the fund balance on a monthly basis; and elimination of the risk of adverse exchange rates movement between the recording of the pledge and its actual receipt.

In case of a shortage of cash to support full allotment of the funds for the approved PoW by the COP, it is proposed that at the beginning of the year only 40 % of the yearly approved MTF budget be allotted. The amount is adequate to cover the staffing costs of the first semester and the most essential activities of the PoW planned to take place during the first half of the year. Parties will be strongly urged to pay their annual MTF pledges during the first quarter of the year, and extensive follow-up will be made by UNEP and the UNEP/MAP Coordinating Unit towards this aim. The Bureau will be informed of the progress of collection of contributions during its first meeting of the year and asked to request Parties which have not paid to do so as soon as possible.

The allotment percentage for the year will be revisited at end June and will be increased to the level of actual cash received. Thus, in the case of a low level of contribution received, the level of PoW implementation will be lower than the one approved and activities may be delayed. Any reduction in the implementation level caused by non-collection of annual pledges by end June will be in principle shared equally among the CU and the Components. Should the collection not reach 40% by end June, then, an additional allotment will be made to cover only the staff costs from July to September until the situation is reviewed again at end September. The same logic applies to adjust the allotment to the actual contribution received.

#### 1.3.2 Strengthening of Expenditures Monitoring

In addition to above, UNEP/MAP has introduced a monthly budget balance sheet to check the fund balance under respective projects and budget lines to prevent over-expenditures in the course of implementation of PoW.

Also an internal monthly financial management information system was developed based on which Management monitors the financial position of UNEP/MAP to make timely decisions. The items monitored includes: overview of the financial position reflecting monthly financial statement produced by UNON and any significant developments during the reporting period; status of contributions and follow-up actions required, fund position of MTF including the General Trust Fund (MEL), the EU and other Voluntary Contributions (QML) and the Greek Government Host Country Contribution (CAL); the delivery rate of PoW and projects; the trend of EUR-US exchange rate fluctuations, which are supported by consolidated monthly budget balance sheet, monthly Status of Trust Fund report, and Fund Balance sheet for UNEP/MAP funds.

## **2. Enhancing effectiveness and efficiency in delivering the Programme of Work (PoW):**

With a view to enhance effectiveness and efficiency in delivering of the PoW, following measures have been implemented:

### **2.1. Functional Review**

In recent years, a number of milestone decisions taken by the MAP Contracting Parties have set the context for MAP's engagement. They have called for more effective MAP Governance based on stronger cooperation and integration among MAP components, result oriented programming and planning, increased ownership of the Contracting Parties and higher visibility of MAP and the Barcelona Convention in the region. Furthermore adopting the Ecosystem approach, they have asked the MAP Secretariat to enhance its cooperation with other regional and international organizations and initiatives undertaken relevant work.

The Secretariat has set out to achieve these goals, as reflected in the three pillars of its approved 5 years programme of work aiming to:

- a) strengthen institutional coherence, efficiency and accountability
- b) support the contracting parties to meet their compliance commitments and
- c) effectively manage and communicate information knowledge.

It has furthermore undergone a number of reviews (External Evaluation, July 2006; OIOS audit report, May 2009, Weber Shandwick report, May 2010, recent OIOS audit report, August 2011 and the various UNEP operational reviews and internal guidelines) which have recommended stronger coordination and implementation of COP decisions. The message from these decisions is greater coherence among MAP components, strengthened compliance mechanisms, enhancing partnership with EU bodies and others for resource mobilization and programme delivery, as well as harmonization of tasks and job descriptions to ensure they reflect functional demands and related competencies.

In this context, the Secretariat has undertaken an independent Functional review of the UNEP administered MAP components (MAP Coordinated Unit and MED POL) with the goal of identifying the functions, skillsets and structure needed to best implement work priorities outlined in the Governance paper approved by the Contracting Parties 2008, the decision on the Mandate of MAP Components and the five year programme of work adopted by the Parties in 2009.

The objective of the Review is to best align the work of the MAP Secretariat and MED POL with the priorities and targets outlined in the 5 years programme of work and serve their mandate in support to the Barcelona Convention and its protocol. This included staff functions, structure and skillsets as well as opportunities to best streamline internal

processes and workflows to strengthen accountability and decision-making and optimize efficiency within the resource framework available to MAP.

The scope of the Review being a UNEP initiated exercise has been strictly kept to the UNEP-administered MAP Components, i.e. the Secretariat and MED POL. It has looked at the structure of the Athens office, focusing on functions rather than posts or concerned staff. It was a forward-looking exercise focusing on how to align the office to other similar units in the UN system in better serving the contracting parties. The review was led by the UNEP Caribbean Environment Programme Coordinator, serving to build on experiences of other UNEP administered Regional Seas programme and supported by an external management consultant. The consultants also suggested considering carrying out similar exercises in the Regional Activity Centers (RACs).

The Review looked at the various team units in place in the Athens office and based their recommendations accordingly.

*Management Unit:*

This unit is currently comprised of two Professional Posts, Coordinator (D2) and Deputy Coordinator (D1) as well as two Support Staff posts, Senior Secretary (G5) and Programme Assistant (G5).

In order to allow for a fully functional and effective Secretariat, every effort should be taken to speed up the appointment of the Coordinator and the Deputy Coordinator posts in order to revert to normal workloads among the top 2 management positions and allow proper attention to strategic priorities as outlined in the Governance paper. These 2 posts have been filled already as a priority measure taken by the Executive Director.

In addition the review recommends the following:

- Addition of one Professional Post at P3 level for Planning and Resource Mobilization in order to strengthen the Secretariat capacity to develop and implement the resource mobilization strategy, as recommended by the MAP External Review Evaluation report (July 2006). This post should be funded by extra-budgetary resources
- Freeze the G5 Senior Secretary post pending mobilization of additional resources by the Secretariat

*Administration Unit:*

This unit is currently comprised of one Professional Post, Administrative Officer (P4) as well as 8 Support Staff posts, Budget Assistant (G7), Meeting Services Assistant (G7), Computer Operations Assistant (G6), Administrative Assistant/Human Resources (G6), Administrative Clerk/Travel Assistant (G6), Library Assistant (G6), Administrative Clerk/Payment (G5) and Admin Clerk (G4).

In order to allow a more coherent unit that can meet the challenge of the PoW and align it to similar unit in other UN entities, the review recommends the following:

- Maintain the Administrative Officer post at its current P4 level
- Downgrade the post of Budget Assistant to G6 level
- Maintain the post of the Administrative Assistant/Human Resources at its current G6 level
- Merge the functions of the Meeting Services Assistant and that of the Procurement Assistant into one post as Meeting and Procurement Assistant at G6 Level

- Merge the functions of the Administrative Clerk/Payment and that of the Administrative Clerk/Travel into one post as Payments and Travel Assistant at G5 Level
- Abolish the post of Computer Operations Assistant and outsource the functions to an external IT Service provider
- Downgrade the post of the Library Assistant to G5 level and include the function of IT focal point to serve as an interphase with the IT Service provider.
- Maintain the post of the admin Clerk at its current G4 level and revise its functions to include Clerk/receptionist/driver

*Governance Unit:*

This unit is currently comprised of 2 Professional Posts, Programme Officer (P4) and Legal Officer (P3) as well as 2 Support Staff Posts, Admin Assistant (G6) and Secretary (G5).

The review recommends speeding up the appointments of both the Programme Officer as well as the Legal Officer. This will give the Secretariat the needed manpower to effectively fulfill its role of supporting the compliance mechanism and the corresponding Contracting Parties commitments.

In addition the review recommends the following:

- Keep the Professional Posts at their current levels
- Merge the 2 Support Staff Posts into one Admin Assistant post at G5 level

*Information and Communications Unit:*

This Unit is currently comprised of 1 Professional post, Information & Communication Officer (P3) and 1 Support Staff post, Information Assistant (G5).

The review recommends the following:

- Upgrade the current P3 post to a P4 Information & Communication Officer post reflecting the seniority and autonomy necessary to implement the information and communications strategy as recommended by the Assessment of Information and Communication activities discussed at the Bureau meeting in May 2010.
- Upgrade the current Information Assistant post to Information & Regional Media focal point at G6 level.

*GEF project Unit:*

This unit is currently comprised of 2 Professional Posts, Project Manager (P5) and Marine & Coastal expert (P3) as well as 1 Support Staff post, Admin Assistant (G6).

The review recommends maintaining the unit at its current structure.

*MED POL Unit:*

This unit is currently comprised of 3 Professional Posts, MED POL Coordinator (D1), and 2 Programme Officers (P4), as well as 2 Support Staff Posts, Secretary (G5) and Secretary (G4). In addition, the unit oversees a UNEP/WHO partnership that comprises of 1 Professional Post, WHO Programme Officer/Senior Scientist (P5) and 1 Support Staff post, WHO Secretary (G5).

In order to adapt to the evolving needs of the programme, putting emphasis on the implementation of the new Ecosystem Approach roadmap adopted by the Contracting

Parties which will require, inter-alia, the development of an integrated monitoring programme and targets covering all the priority indicators for the 11 ecological objectives as well as the periodic production of the State of the Environment Report, the review recommends the following:

- The unit to be fully integrated in the core of the Secretariat and its focus expanded to cover pollution and marine quality in line with the forward looking aspiration of the Barcelona Convention Parties
- After the retirement of the current MED POL Coordinator, revise the functions of the post to align it to the new needs of the programme to become MED POL and Marine Quality Manager at P5 level
- Merge the current 2 Support Staff posts into one Programme Assistant post at G5 level
- Create a National Officer position at a later stage if needed to support delivery of the MED POL component
- Establish a new partnership agreement with WHO that would reflect the new priorities of the Programme and a more balanced distribution of funds between personnel costs and activities

In view of the current financial situation, UNEP decided not to follow any recommendation that calls for upgrading posts under the MTF budget.

The following table summarizes the recommendations:

Existing Posts	Proposed Posts by the Review	Posts accepted by UNEP
<b>Management</b>		
• D2 Coordinator	• Post retained	Accepted
• D1 Deputy Coordinator	• Post retained	Accepted
	• P3 Programme Officer (Planning and Resources Mobilization)	Accepted pending additional extra-budgetary resources
• G5 Senior Secretary	• Post to be freeze	Accepted
• G5 Programme Assistant	• Post retained	Accepted
<b>Administration</b>		
• P4 Administrative Officer	• Post retained	Accepted
• G7 Budget Assistant	• Post to be downgraded to G6	Accepted
• G7 Meeting Services Assistant	• New Post as Meeting and Procurement Assistant at G6	Accepted
• G6 Computer Operations Assistant	• Post to be abolished • Functions will be outsourced	Accepted
• G6 Administrative Assistant/Human Resources	• Post retained	Accepted
• G6 Administrative Clerk/Travel	• Post to be abolished	Accepted

	<ul style="list-style-type: none"> <li>• Functions will be merged with the G5 Payment</li> </ul>	
<ul style="list-style-type: none"> <li>• G6 Librarian Assistant</li> </ul>	<ul style="list-style-type: none"> <li>• New Post as Librarian/IT Focal Point at G5</li> <li>• Functions to include IT Focal Point/interface with IT Service provider</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• G5 Administrative Clerk/Payment</li> </ul>	<ul style="list-style-type: none"> <li>• New Post as Payments and Travel Assistant at G5</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• G4 Admin Clerk</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<b>Governance</b>		
<ul style="list-style-type: none"> <li>• P4 Programme Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• P3 Programme Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• G6 Admin Assistant</li> </ul>	<ul style="list-style-type: none"> <li>• Post to be abolished</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• G5 Secretary</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained as Programme Assistant at G5 level</li> </ul>	Accepted
<b>Information and Communication</b>		
<ul style="list-style-type: none"> <li>• P3 Information and Communication Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Post upgraded to P4</li> </ul>	Due to the financial situation, the proposed upgrade will not be implemented
<ul style="list-style-type: none"> <li>• G5 Information Assistant</li> </ul>	<ul style="list-style-type: none"> <li>• Post upgraded to G6</li> </ul>	Due to the financial situation, the proposed upgrade will not be implemented
<b>GEF project</b>		
<ul style="list-style-type: none"> <li>• P5 Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• P3 Marine and Coastal expert</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• G6 Admin Assistant</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<b>MED POL</b>		
<ul style="list-style-type: none"> <li>• D1 MED POL Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>• New Post as MED POL Manager at P5</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• P4 Programme Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• P4 Programme Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• G5 Secretary</li> </ul>	<ul style="list-style-type: none"> <li>• Post retained</li> </ul>	Accepted
<ul style="list-style-type: none"> <li>• G4 Secretary</li> </ul>	<ul style="list-style-type: none"> <li>• Post to be abolished</li> </ul>	Accepted

The review recommendations as accepted by the Secretariat will result in a net savings of approximately Euro180,000 per year, taking into account that there will be some additional costs involved in outsourcing the IT services.

Annex II shows the proposed Organigramme of the Secretariat

## 2.2. Strengthening programmatic coherence

Other measures undertaken by the Secretariat to strengthen effectiveness and efficiency in the delivery of the Programme of Work in accordance with the decisions of the Contracting Parties related to internal Governance (IG 17/5) and the Mandates of the various Components (IG 19/8) include:

### 1. Planning

Two main innovations took place in the preparation of the biennium programme of work for 2012-2013 as per the above-cited decisions which had a positive impact regarding the transparency of activities: the programme of work includes all activities carried out by the various RACs irrespective of their source of funding; and for the first time, consultation with MAP Focal Points also took place in early stages of the process. These consultations added a step to the process which now comprises three layers:

- 1) initial proposal from the components following consultation with their respective focal points
- 2) preparation of the draft integrated programme of work by the Coordinating Unit with ECP feedback
- 3) formal consultation of the draft programme of work with MAP and Component focal points with the view to its finalization for submission to the meeting of MAP bodies (Component and MAP focal points and CP meeting).

Even though there has been improvements in the format and process of the preparation of the 2012-2013 draft integrated programme of work, the sequencing and steps in the process as well as the planning approach could be further strengthened in terms of format, timing and interaction in order to achieve greater alignment with strategic priorities, better integration and complementarities between MAP components, a simpler format and a more cost-efficient process. This will enhance the chances to prepare a real result based programme to meet the need and priorities of the Contracting Parties. A new planning process could be proposed perhaps starting with the Coordinating Unit's identification of the activities for MAP according to strategic priorities set by the Contracting Parties based on which a consolidated work programme with activities to be implemented by the different components could be developed.

### 2. Host Country Agreements

In accordance with the Governance paper (UNEP(DEPI)/MED IG.17/10 Annex V Decision IG 17/5) and as approved by the Contracting parties, the Secretariat has developed a common template for the hosting of Regional Activity Centers (RACs) by the concerned Countries outlining the TOR and the mandate of each Centre. RACs are defined as national entities which are part of the MAP system in so far as the Contracting Parties have granted these Centers with mandates and responsibilities. Since they are independent from the UN and UNEP, the agreements establish a relationship with their host countries with a view to ensure an effective discharge of MAP's programme of work.

The meeting of the Bureau of the Contracting Parties to the Barcelona Convention held in Rabat on May 2010 highlighted the importance of country agreements and endorsed the process followed by the Coordinating Unit and UNEP in completing them. It further considered that in the process of customizing country agreements the following core standards should be preserved: RACs to have functional autonomy to implement the programme of work which are necessary to preserve their regional role for implementing COP decisions and UN standards; RACs to include in their governance arrangements a Steering Committee with a mandate as specified in the draft country agreement, the composition of which should include the Coordinating Unit; selection and appointment of

RAC Directors, ensuring their highest professionalism and competence which is overseeing by a Steering Committee in which a representative of the Coordinating Unit shall be a member; and, the management of funds is done in accordance with highest criteria and audited by independent reputable firms.

The template has been sent to the countries concerned, some of which have informed the Secretariat of being in the process of internal consideration while for others the secretariat awaits feedback.

### 3. Audit actions

Implementation of Recommendations in the 2009 OIOS Audit Report on “the financial performance of the UNEP/MAP” which was shared with the MAP Focal Points has advanced by Sept 2011. OIOS had considered satisfactory the actions taken by UNEP on 13 out of 18 recommendations which have therefore been closed. Actions have also been taken for the remaining five recommendations which are expected to be closed in the forthcoming months (see Annex III for details).

In addition, the Governance paper (UNEP(DEPI)/MED IG.17/10 Annex V Decision IG 17/5) requests that in addition to the regular financial audit of the Regional Activity Centres (RACs) by independent audit firm, a periodical management cross-audit of MAP as a system including MAP Components will be conducted with a view to ensure consistency and coordination of the MAP system and consolidated planning process. Such cross-audit should take into consideration the full range of funds mobilized by MAP Components, both internal and external sources and be carried out in accordance with UN standard procedures. The Secretariat considers that the cross-audit of MAP system should be aligned with the five-year Strategic Programming cycle, and therefore, the next one is proposed to be conducted in 2014.

### 4. Communication Strategy

The Governance and Component mandates decisions also call on MAP for strengthening its visibility and speak with a single voice and to embody this vision in an integrated communication strategy. As a first step, the secretariat undertook an assessment that was presented to the bureau in Rabat based on which a new strategy for communication will be presented to the Parties. The strategy is built around three pillars: unifying the system, mobilizing other actors and inspiring partners and stakeholders.

#### 2.3. Strengthening UNEP/MAP Administrative Processes and Practices:

A thorough review of UNEP/MAP administrative processes is being carried out for the purpose of enhancing transparency and accountability as well as streamlining procedures which ensure efficiency and best value for money. The roles and lines of financial authority of UNEP/MAP staff and internal workflow are redefined for following processes: procurement, payments, travel, Small Scale Funding Agreement (SSFAs) and other Legal Instruments.

a. Significant progress has taken place with regards to advancement in the **Procurement of goods and services**. An internal Standard Operational Procedure (SOP) was established for acquisitions of goods/services above USD 5,000, including Requests for Quotations/Proposals which are reviewed by newly established Evaluation Committee before recommending the most competitive vendor/partner to UNEP/MAP management. Transparency and efficiency were achieved through a consistent process in line with the UN Rules and Regulations (respect of the segregation of duty between requesting unit, selection panel, and approval authority) and widely advertising calls for request for

quotations/proposals on UNEP/MAP web-site, through mailing groups and local Embassies and UN Agencies. Cost savings resulted from competitive international and national market research and assessment.

Long-term agreements have been concluded to avoid numerous ad-hoc procurements, minimize administrative burdens as well as to achieve maximum economical benefit by bulk purchase and longer-term arrangement such as for Travel Agency, conference facilities and equipment, and supplies. For instance, the Long-term Agreement with a travel agency has achieved 83% cost reduction in ticket issuance commission charges. Agreements with telephone companies are currently under negotiation.

**b. Cash payments are eliminated.** The practice of cash disbursement of Daily Subsistence Allowance (DSA) by the UNEP/MAP Coordinating Unit and MEDPOL is now being discontinued in accordance with UN policies, which has also contributed to savings from travel costs of disbursement officers. Local payments are done by cheque and international payments are done by wire transfer by UNEP HQs, thus minimizing financial risks associated with cash handling and retaining large balances in the local bank account in Greece. It has also simplified lengthy administrative processes and contributed to greening MAP by significantly reducing the amount of paper consumed.

**c.** Significant savings were achieved through **administrative cost reduction** measures implemented during the current biennium 2010-2011 by the UNEP/MAP Coordinating Unit and MEDPOL. A rough estimation of EUR 150,000 (USD 213,980 with Aug 2011 UN exchange rate) has been saved in 2010 from the Administrative costs as compared to those in 2009.

These measures include: advance planning of meetings so as to avoid cost increase due to last minute arrangement; video conference instead of face-to-face meeting to the extent possible; increased cooperation with local organizers to reduce the travel of UNEP/MAP staff; back-to-back and joint meetings; minimizing the number of conference staff such as interpreters, translators, reporters, and typewriters; limiting the number of pages of standard meeting reports to 16 pages to reduce the number of in-session report writers and document translation and editing costs; reduced printing and shipping of hardcopy documents by replacing them with e-versions through web-site and emails; suspending all hospitality, overtime and limit temporary assistance expenditures.

RACs have also implemented a series of cost saving measures during 2010-2011. For instance, delaying recruitment and/or non renewal of staff/experts distributing tasks among existing staff making the best of the available human resources; increasing the number of back-to-back and joint meetings and/or use video or telephone conferencing facility to replace physical face-to-face meetings and travels into virtual meetings (ECP meetings); and some other cost saving measures were also implemented (REMPEC adjustment of costs, cuts in supporting costs, PAP equipment, temporary assistance and travel, reporting, hospitality and communication costs). In the case of CP/RAC, Best Practices for Offices have been put in place which would not only achieve economic savings but also making offices "green" by reducing carbon footprint.

### **3. Collection of contributions and fund raising:**

3.1 The Secretariat has made an extensive effort to collect outstanding pledged contributions in cooperation with the Contracting Parties concerned. Payment reminders were sent periodically and meetings were held with MAP Focal Points, Ambassadors in Greece, Officials at Permanent Representative Offices to the UN in Nairobi and others, resulting in all unpaid pledges from 2010 and previous years being collected except one (Libya). The amount received this year from unpaid contributions from previous years is EUR 410,353.

3.2 The Government of Greece has always paid on time their assessed contribution and their voluntary contribution at the level of USD 400,000. A common understanding is being developed between the UNEP and the Government of Greece with regards to ways to address the deficit in the CAL account. The Bureau will be informed orally of the progress of the negotiations which included several meetings and discussions between the Government of Greece and UNEP/MAP.

3.3 With regards to resource mobilization, integrated efforts to complement the five-year Programme of Work have resulted in concrete proposals developed by UNEP/MAP and in advance stage of negotiation with the respective donors:

- For Global Environment Facility (GEF) funding, the preparation phase of the project “Integration of climatic variability and change into national strategies to implement the Integrated Coastal Zone Management (ICZM) Protocol in the Mediterranean” is near completion and the project is expected to begin in early 2012 for the period of two years. The project components are: (i) Establishment of a Climatic Variability & Change information sharing platform; (ii) Strengthening the knowledge base on regional Climate Variability and Change; and (iii) Support to ICZM Protocol implementation and capacity building (US\$ 2.3 million).
- For EU ENRTP funding, the project “Implementation of the Ecosystem Approach Roadmap in the Mediterranean Region, II”, which is meant to contribute to the implementation of COP 2012 decisions on the Ecosystems Approach. In particular, the proposal aims at supporting the Contracting Parties to the Barcelona Convention by: (i) identifying of scientifically sound GES and targets, (ii) establishing a modernized and integrated monitoring system designed to fulfill data needs necessary to assess progress towards achievement of targets in the eleven Ecological Objectives; (iii) formulating an integrated MAP policy on assessments coherent with the Ecological Objectives which include mapping and GIS needs; (iv) complementing the integrated assessment with an economic and social analysis including the costs of degradation and contributing to measures consistent with the Ecosystems Approach in high seas (EUR 1.5 million).
- Also for EU ENRTP funding, the project “Strengthening Environmental Governance and the Green Economy in the Mediterranean region”, aiming at enhancing regional partnership to integrate Sustainable Consumption and Production (SCP) and Green Economy perspectives into the regional strategy for Sustainable Development in the Mediterranean Region. This project proposal is to address the need to enhance environmental governance, SCP and resource efficiency which are key thematic priorities of the current UNEP/MAP five-year Programme of Work.
- “Integrated Coastal Zone Management (ICZM)” project, in response to a call for proposals under the European Neighborhood and Partnership Instrument (ENPI), UNEP/MAP presented a project to support eligible countries to apply the Protocol and implement the ICZM Action Plan which will be presented for COP consideration). The main expected results include: support to developing countries national strategies on ICZM; develop and test a methodological framework for carrying capacity assessments; strengthen the sea-land interactions in the ICZM methodological guide; and raise awareness on the benefits of ICZM (EUR 3.9 million).

3.4. European Environmental Agency cooperation (EEA). UNEP/MAP is also liaising with the EEA with a view to cooperate in the development of the Mediterranean Information System (INFOMAP). The first stage of this cooperation will be a project to implement the recommendations from the "State of Play" regarding a Shared Environmental Information System in the Mediterranean Region that will allow monitoring progress of the H2020 Initiative.

In addition, as requested by the COP, a joint Resource Mobilization Strategy is being developed which covers the priority financial need of MAP in accordance with the five-year strategic programme of work. The strategy will be a corporate UNEP/MAP resource mobilization effort rather than an individual MAP Component driven approach. In this context, an analysis of the potential donors with whom to cooperate for achieving the objectives of the MAP is also being carried out.

### **Conclusion**

As elaborated above, UNEP has been implementing a series of measures to avoid reoccurrence of any financial problems in the future which are for the consideration and advice by the COP. It has also worked on ways to enhance the delivery of the Programme of Work through launching internal governance reforms which if further advanced and implemented could contribute to a more efficient, effective and strategic response to country priorities in the future.

The Bureau may want to provide guidance on the proposed measures as follows:

The budget format

The recommendations of the Functional Review as accepted by the Secretariat

The planning procedure

The Host Country agreement

The regular comprehensive auditing

List of Annexes:

1. New Budget Format
2. Organigramme proposed by the Functional Review
3. Recommendations remain open from 2009 Audit



**Annex I**  
**New Budget Format**

Table of Contents

1. Overview of Income and Commitments
2. Expected Ordinary Income
3. Breakdown of Other UNEP/MAP Expected Income
4. Summary of Commitments by Thematic Areas
5. Commitments by Output and Source of Funding and Amounts to be mobilized
6. Commitments by Output
7. Amounts to be Mobilized by Output
8. Summary of Activities and Administrative Costs by Component
9. Commitments by Thematic Area and Admin Costs per Component



1. Overview of Income and Commitments

All amounts in €

A. Income*	2010	2011	Total 2010-2011	Proposed 2012	Proposed 2013	Total 2012-2013
<b>Expected Ordinary Income</b>						
MTF Ordinary Contributions						
EU Voluntary Contributions						
Greek Host Government Contribution						
<b>TOTAL of Expected Ordinary Income</b>	0	0	0	0	0	0
<b>Other UNEP/MAP Income</b>						
EU						
GEF						
Other donors						
<b>TOTAL of Other UNEP/MAP Income</b>	0	0	0	0	0	0
<b>TOTAL of Expected Income</b>	0	0	0	0	0	0
<b>B. Commitments</b>	Approved 2010	Approved 2011	Total 2010-2011	Proposed 2012	Proposed 2013	Total 2012-2013
Activities						
Post						
Other Administrative Costs						
Programme Support Costs						
<b>TOTAL Regular Commitments</b>						
Activities						
Post						
Other Administrative Costs						
Programme Support Costs**						
<b>TOTAL of Other UNEP/MAP Commitments</b>						
<b>TOTAL of Commitments</b>						

\*Items such as Unpaid Pledges for prior years, Bank Interest, Provision from the MTF which were traditionally included in the Income have been removed

\*\*Programme Support Costs varies depending on sources of funding, for instance 13% for MTF Ordinary Contributions, 4.5% for EU Voluntary Contribution, no PSC on Greek Host Government Contribution.

## 2. Expected Ordinary Income

Contracting Parties	%	Ordinary Contributions for 2010 (in €)	Ordinary Contributions for 2011 (in €)	Ordinary Contributions for 2012 (in €) 2.5% increase	Ordinary Contributions for 2013 (in €) 2.5 % increase
Albania	0,07	3.877	3.877	3.974	3.974
Algeria	1,05	58.163	58.163	59.617	59.617
Bosnia and Herzegovina	0,30	16.619	16.619	17.034	17.034
Croatia	0,97	53.730	53.730	55.074	55.074
Cyprus	0,14	7.755	7.755	7.949	7.949
EU	2,49	138.483	138.483	141.945	141.945
Egypt	0,49	27.143	27.143	27.822	27.822
France	37,85	2.103.262	2.103.262	2.155.844	2.155.844
Greece	2,80	155.653	155.653	159.544	159.544
Israel	1,47	81.427	81.427	83.463	83.463
Italy	31,27	1.737.670	1.737.670	1.781.112	1.781.112
Lebanon	0,07	3.877	3.877	3.974	3.974
Libya	1,96	109.124	109.124	111.853	111.853
Malta	0,07	3.877	3.877	3.974	3.974
Monaco	0,07	3.877	3.877	3.974	3.974
Morocco	0,28	15.511	15.511	15.898	15.898
Montenegro	0,32	1.294	1.294	1.326	1.294
Slovenia	0,67	37.113	37.113	38.041	38.041
Spain	14,94	830.337	830.337	851.095	851.095
Syria	0,28	15.511	15.511	15.898	15.898
Tunisia	0,21	11.632	11.632	11.923	11.923
Turkey	2,24	124.634	124.634	127.750	127.750
<b>Sub-total (MTF)</b>	<b>100,00</b>	<b>5.540.571</b>	<b>5.540.571</b>	<b>5.679.085</b>	<b>5.679.052</b>
EU Voluntary		598.569	598.569	598.569	598.569
Host Country (Greece)*		440.000	280.000	280.000	280.000
UNEP Environment Fund		15.000	15.000	15.000	15.000
<b>TOTAL ORDINARY CONTRIBUTIONS</b>		<b>6.594.140</b>	<b>6.434.140</b>	<b>6.572.654</b>	<b>6.572.621</b>
<b>TOTAL BIENNIUM</b>		<b>13.028.279</b>		<b>13.145.275</b>	

\*The contribution from the Gov of Greece is USD 400,000 which is converted at the prevailing exchange rate. 2010 is the actual figure and exchange rate of Aug 2011(0.7) applied for 2011 to 2013.

3. Breakdown of Other UNEP/MAP Expected Income

All amounts in €	2010	2011	Total 2010-2011	Expected 2012	Expected 2013	Total 2012-2013
GEF	0	0	0			
UNEP/MAP Implementing Partners	0	0	0			
Other Implementing Partners	0	0	0			
SPAIN	0	0	0			
UNEP/MAP Implementing Partners	0	0	0			
Other Implementing Partners	0	0	0			
EU	0	0	0			
UNEP/MAP Implementing Partners	0	0	0			
Other Implementing Partners	0	0	0			
ITALY	0	0	0			
UNEP/MAP Implementing Partners	0	0	0			
Other Implementing Partners	0	0	0			
OTHER DONORS	0	0	0			
<b>TOTAL OTHER UNEP/MAP EXPECTED INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>			

\* Details on projects may be provided through a footnote.

4. Summary of Commitments by Thematic Area

(in €)	Proposed 2012				Proposed 2013				Proposed 2012-2013			
	MTF/EU Vol./HOST	OTHER UNEPM/AM INCOME	COMMITTED PARALLEL FUNDING	TOTAL	MTF/EU Vol./HOST	OTHER UNEPM/AM INCOME	COMMITTED PARALLEL FUNDING	TOTAL	MTF/EU Vol./HOST	OTHER UNEPM/AM INCOME	COMMITTED PARALLEL FUNDING	TOTAL
1. Governance		0	0	0		0	0	0		0	0	0
2. Integrated Coastal Zone Management		0	0	0		0	0	0		0	0	0
3. Biodiversity		0	0	0		0	0	0		0	0	0
4. Pollution Control and Prevention		0	0	0		0	0	0		0	0	0
5. Sustainable consumption and production		0	0	0		0	0	0		0	0	0
6. Climate Change		0	0	0		0	0	0		0	0	0
<b>TOTAL ACTIVITIES</b>		0	0	0		0	0	0		0	0	0
Post		0	0	0		0	0	0		0	0	0
Other Administrative Costs		0	0	0		0	0	0		0	0	0
PSC*		0	0	0		0	0	0		0	0	0
<b>GRAND TOTAL</b>		0	0	0		0	0	0		0	0	0

\*13% for MTF and 4.5 % for EC contribution

5. Commitments by Output and Source of Funding and Amounts to be mobilized

in Euro (000)	Proposed 2012				Proposed 2013				Proposed 2012-2013						
	MTF/EU Vol.	Other UNEP/IMAP Income	Committed Parallel Funding	TOTAL committed	EXT to be mobilized	MTF/EU Vol.	Other UNEP/IMAP Income	Committed Parallel Funding	TOTAL committed	EXT to be mobilized	MTF/EU Vol.	Other UNEP/IMAP Income	Committed Parallel Funding	TOTAL committed	EXT to be mobilized
Output 1.1 Strengthening Institutional Coherence, efficiency and accountability				0					0					0	0
Output 1.2 Implementation gap filled: Contracting Parties supported in meeting the objectives of EC, protocols and adopted strategies				0					0					0	0
Output 1.3 Knowledge and information effectively managed and communicated				0					0					0	0
<b>Total Theme 1: Governance</b>				0					0					0	0
Output 2.1 Coastal zone management achieves effective balance between development and protection (sustainable development of coastal zone)				0					0					0	0
<b>Total Theme 2: Integrated Coastal Zone Management</b>				0					0					0	0
Output 3.1 Ecosystem services provided by the marine and coastal environment identified and valued				0					0					0	0
Output 3.2 Biodiversity conservation and sustainable use (strategic vision, new objectives in the post 2010 context, including fisheries, ballast, non-indigenous species), endangered and threatened species				0					0					0	0
Output 3.3 Network of Marine and coastal Protected Areas (MPAs), including Areas Beyond National Jurisdiction (ABNJ), extended, strengthened and effectively managed				0					0					0	0
<b>Total Theme 3: Biodiversity</b>				0					0					0	0
Output 4.1 Early warning of pollution (spills, dangerous/hazardous substances)				0					0					0	0
Output 4.2 Lower levels of pollution in the Mediterranean marine and coastal environments				0					0					0	0
<b>Total Theme 4: Pollution Control and Prevention</b>				0					0					0	0
Output 5.1 Drivers affecting ecosystems addressed: economic activities, patterns of consumption, infrastructure and spatial development more sustainable, transport				0					0					0	0
<b>Total Theme 5: Sustainable consumption and production</b>				0					0					0	0
Output 6.1 Mediterranean region able to face climate change challenges through a better understanding of potential ecological impacts and vulnerabilities				0					0					0	0
Output 6.2 Reduced socio-economic vulnerability				0					0					0	0
Output 6.3 Assess and provide information to reduce adverse environmental impacts of mitigation and adaptation strategies & technologies				0					0					0	0
<b>Total Theme 6: Climate Change</b>				0					0					0	0
<b>GRAND TOTAL</b>				0					0					0	0





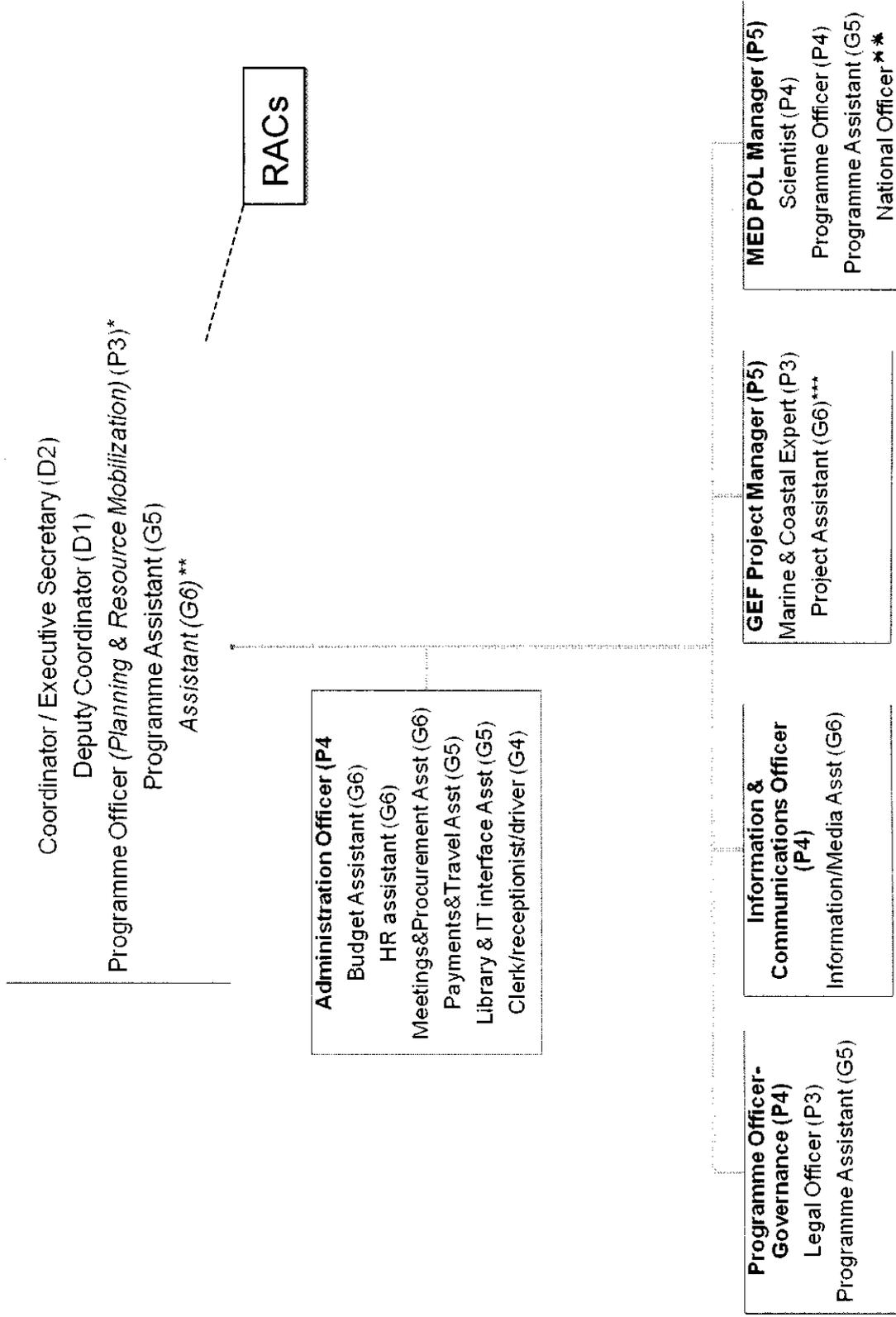
8. Summary of Activities and Administrative Costs by Component (Regular Commitments)

(in €)	Approved Budget			Proposed Budget		
	2010	2011	Total 2010-2011	2012	2013	Total 2012-2013
COORDINATING UNIT						
TOTAL ACTIVITIES						
POST						
OTHER ADMINISTRATIVE COSTS						
<b>TOTAL</b>						
MEDPOL AND COOPERATING AGENCIES						
TOTAL ACTIVITIES						
POST						
OTHER ADMINISTRATIVE COSTS						
<b>TOTAL</b>						
REGIONAL MARINE POLLUTION EMERGENCY RESPONSE CENTRE (REMPEC)						
TOTAL ACTIVITIES						
POST						
OTHER ADMINISTRATIVE COSTS						
<b>TOTAL</b>						
BLUE PLAN REGIONAL ACTIVITY CENTRE (BP/RAC)						
TOTAL ACTIVITIES						
POST						
OTHER ADMINISTRATIVE COSTS						
<b>TOTAL</b>						
PRIORITY ACTIONS PROGRAMME REGIONAL ACTIVITY CENTRE (PAP/RAC)						
TOTAL ACTIVITIES						
POST						
OTHER ADMINISTRATIVE COSTS						
<b>TOTAL</b>						
SPECIALLY PROTECTED AREAS REGIONAL ACTIVITY CENTRE (SPA/RAC)						
TOTAL ACTIVITIES						
POST						
OTHER ADMINISTRATIVE COSTS						
<b>TOTAL</b>						
INFO/RAC						
TOTAL ACTIVITIES						
POST						
OTHER ADMINISTRATIVE COSTS						
<b>TOTAL</b>						
CLEANER PRODUCTION REGIONAL ACTIVITY CENTRE (CP/RAC)						
TOTAL ACTIVITIES						
POST						
OTHER ADMINISTRATIVE COSTS						
<b>TOTAL</b>						
PROGRAMME SUPPORT COSTS						
<b>GRAND TOTAL</b>						

\* Same chart can be reproduced for Other UNEP/MAP commitments if needed.



# Barcelona Convention / MAP Secretariat



- extrabudgetary funded
- \*\* post frozen
- \*\*\*30% reporting to admin

### Annex III

Recommendation Number	Recommendation Status	Recommendation Text	OIOS' Comments History	Estimated target date for full implementation	Client's Comments
<b>UNEP</b>					
Financial Performance of the UNEP MAP					
AA2008/220/01					
27/05/2009					
7	Pending	UNEP Headquarters should ensure that there are legal agreements in place between Regional Activity Centres (RACs) and UNEP that define the respective roles and responsibilities for administrative and substantive activities. These agreements should also contain guidance on issues such as use of the UNEP logo and the rules and regulations under which the RACs will operate.	Recommendation 7 remains open pending receipt of copies of legal agreements between MAP and the RACs defining their respective roles and responsibilities and guidance on issues such as use of UNEP logo and the rules and regulations under which the RACs will operate	30/06/2012	<b>On-going</b> > A model agreement was finalized by UNEP and UNEP/MAP and proposed to all countries hosting RACs. Discussions, with Ministries of Environment and the OIC took place and internal processes including MFA are taking place. The Bureau of the CPs at its meeting in May 2010, has endorsed the content of the model agreements and process followed by the Coordinating Unit of MAP and UNEP. Unfortunately internal approval processes in countries hosting RACs are taking longer than expected. The Secretariat to bring the issue to the next Bureau and the COP (Dec 2011).
8	Pending	UNEP Headquarters should urgently look into the matter of four staff members employed using a contract with a UNEP letterhead, to determine what liability, if any, arises to UNEP for staff employed in this manner.	Recommendation 8 remains open pending receipt of documentary evidence that UNEP Headquarters has reviewed the issue pertaining to four staff members employed using a contract with a UNEP letterhead and determining what liability if any could arise to UNEP for staff employed in this manner.	30/06/2012	<b>In progress.</b> Office of Operations is in the process of issuing proper guidance in terms of use of the UNEP logo and letterhead and its compliance by the UNEP's partners.
10	Pending	UNEP Headquarters should review the job descriptions of posts relating to the Mediterranean Action Plan to ensure that they adequately reflect current task demands and related requirements for skills, competencies and experience.	OIOS thanks UNEP for the update. Recommendation 10 remains open pending receipt of updated job descriptions of staff whose tasks have changed.	31/03/2012	<b>Partially Completed.</b> A Functional Review was initiated end Oct 2010. Among its tasks it will ensure that staffing follows the strategic priorities identified in the five-year PoW. The result of the Functional Review was presented to UNEP MAP Staff on 18 April 2011 The Functional Review is being presented to Bureau as UNEP/BUR/72/Info.4.

### Annex III

12	Pending	The UNEP Mediterranean Action Plan (MAP) secretariat should prepare a paper for consideration by the Contracting Parties outlining the training policy, the short term training requirements of MAP staff and the funding required to provide such training.	OIOS thanks UNEP for the update and welcomes the increased staff participation in on-line and other corporate courses. Recommendation 12 remains open pending receipt of the formal training plan and budget for MAP staff.	31/03/2012	<b>On-going:</b> Staff participation at on-line and other corporate courses is increasing as well as staff exchanges and briefings with Nairobi promoted. Four staff trained on LDP/MDP mandatory training during 2010-2011. Formal training due to budgetary constraints until the next biennium 2012-2013.
14	Pending	The UNEP Mediterranean Action Plan (MAP) Secretariat should put in place procedures to record in its database the performance rating of consultants who have performed work for MAP and ensure that these procedures include provisions for the removal of consultants.	Recommendation 14 remains open pending receipt of procedures for performance assessment and inclusion of provisions for removal of consultants	30/11/2011	<b>On-going:</b> The Consultancy & IC roster has been amended as to take into account the performance rating. Procedures being elaborated to update the roster and to remove the consultants.