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MEDITERRANEAN ACTION PLAN

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

Paris, France, 3-4 July 2012

REPORT BY THE SECRETARIAT ON SPECIFIC ISSUES

This corrigendum is being issued for technical reasons

1. Cooperation with other Organizations

1. Progress has taken place in implementing Operational paragraph 3 of Decision IG.20/13 on Governance adopted at 17th Meeting of the Contracting Parties, which requests the Secretariat, in prior consultation with the Bureau of the Contracting Parties, to prepare formal collaboration with the GFCM, CBD, IUCN and UfM. As stipulated in article 11 of the Terms of Reference of the Bureau, the Secretariat seeks the cooperation and advice of the Bureau on priority partnerships with relevant regional and global Organizations.

1.1. General Fisheries Commission for the Mediterranean (GFCM)

2. The 73rd Bureau meeting held in Rome (3-4 November 2011) held a preliminary discussion on possible areas of cooperation between GFCM and UNEP/MAP and welcomed initial consultations launched with the Secretariat of the GFCM. The MAP Focal Points Meeting held in Athens (28 November – 1 December 2011) recognized steps taken by UNEP/MAP to establish cooperation with GFCM and requested the Secretariat, in prior consultation with the Bureau of the Contracting Parties, to prepare formal collaboration with the GFCM. The 17th Contracting Parties meeting to the Barcelona Convention held in Paris (COP 17) endorsed steps taken and mandated the Secretariat to take additional measures to formalize cooperation with GFCM.
3. During the period immediately after COP 17 the Secretariat continued consultations and negotiations with a view to complete the agreement. Following discussions with the Secretariat of the GFCM, a first cut of the content of the agreement was based on the UNEP/MAP's and GFCM Programme of Work and was further elaborated based on consultations with the Directors of Regional Activity Centers at the first Executive Coordination Panel (ECP) meeting after COP 17. Coordination also took place with UNEP headquarters as it holds Secretariat authority for ensuring compatibility with UN legal rules and entering into inter-agency cooperation agreements.
4. The text of the Memorandum of Understanding (MoU) was finalized after inclusion of the very useful views of Bureau members on the proposed substantive areas of cooperation received through an email consultation. The MoU was signed on 14th May 2012 at the opening of the 36th session of the GFCM in Marrakech, Morocco. The MoU is attached as Annex I.
5. Steps should now be taken to operationalize priority areas in the MoU. The MoU is a useful framework cooperation agreement aiming to facilitate collaboration between UNEP/MAP and GFCM to further shared goals and objectives regarding the conservation of marine environment and ecosystems and the sustainable use of marine living resources in their respective fields of competence. Since its scope is broad and resources limited, efforts should now focus on targeting implementation based on a selected number of concrete results which are a priority and on which progress is achievable. A working meeting with the GFCM is planned for these purposes following the Bureau meeting.
6. Based on the experience to date and some preliminary discussions held, the following areas are suggested for developing concrete cooperation:
 - i. Implementation of the Ecosystems Approach in the Mediterranean. Several of the agreed 11 Ecological Objectives (EO) and particularly EO 3 on *maintaining biologically safe limits for populations of selected commercially exploited fish and shell-fish* and EO 4 on *Limiting long-term effects of alterations to components of marine food webs* are directly linked to the mandate of the GFCM, a reason for which they have been participating in the process to date, including the EcAp

Coordination Group Meeting on 29-30 May 2012 in Athens. As the processes for setting targets and defining good environmental status, sharing data and designing integrated monitoring programmes, economic valuation of fisheries services as well as piloting the approach are scientifically and technical more demanding, it is critical to seek ways to deepen GFCM contribution and intensify the participation;

- ii. Harmonization of criteria to identify Protected Areas and the selection of mechanisms for establishing SPAMIs and Fisheries Protected Areas in cases where their location maybe coincident. While the mandates of GFCM and the Barcelona Convention are different, this is one area where there is logical legal overlapping. With a view to facilitate establishment and effective management of areas current difficulties due to the complexity of parallel procedures for a similar purpose should be addressed. Formal or informal¹ mechanisms may be devised while fully respecting the exercise of their respective mandates to achieve this objective;
- iii. In the same vein, joint formal or informal procedures could be developed to establish, regulate and monitor species listed in Annexes 2 and 3 to the Protocol concerning Specially Protected Areas and Biological Diversity in the Mediterranean; and,
- iv. A joint regional technical cooperation project on an issue identified as priority could be designed with a view to strengthen cooperation among environmental and fisheries administrations.

Recommendation

The Bureau is invited to provide its views and guidance about the areas on which to launch cooperation with the GFCM as a matter of priority and requests the Secretariat to continue cooperation in accordance with the comments received.

1.2. International Union for Conservation of Nature (IUCN)

7. Founded in 1948 as the world's first global environmental organization, IUCN is today the largest professional global conservation network and a leading authority on the environment and sustainable development. It embraces more than 1200 member organizations including 200+ governmental and 900+ non-governmental organizations. It is a neutral forum for governments, NGOs, scientists, business and local communities to find pragmatic solutions to conservation and development challenges. IUCN is being very active in supporting gatherings and exchanges to aid improving governance of the Mediterranean. Until now, cooperation with IUCN was limited to their joint work with RAC/SPA.
8. Following Decision IG.20/13 requesting the Secretariat to also prepare formal collaboration with IUCN and further to consultations with Regional Activity Centers (RACs), efforts have been made to explore ways to lift the relations to a more strategic level. As discussed during a bi-lateral working session between UNEP/MAP and IUCN, this could perhaps be best achieved by putting at the service of the Barcelona Convention the IUCN global and regional networks in the selected areas of cooperation with a view to strengthen the scientific and policy basis of relevant work under the Convention. The format of the cooperation will be a concrete programme of work in the context of the existing overall MoU between IUCN and UNEP.

¹ Informal joint procedures exist between GFCM and ICCAT

Potential fields of cooperation include:

- a) Implementation of the EcAp in the Mediterranean, providing substantive inputs to the process of setting targets and monitoring systems for each of the 11 Ecological Objectives (EO); engaging IUCN experts and their sectorial guidelines for facilitating the work of specialized correspondence groups under the Ecosystem Approach Coordination Group; and, contributing to communications with civil society on mainstreaming EcAp in their priorities;
- b) Evaluation and monitoring of the state of endangered species in the Mediterranean by involving related IUCN Red list Specialist Groups (i.e. Sharks and Cetaceans Specialist Groups) in the process leading to inclusion of species in the annexes and ensuring data sharing and information exchange;
- c) Continue and deepen on-going cooperation with RAC/SPA on Protected Areas in open seas and deep seas, including ecosystem services; and,
- d) Engaging IUCN Commission on Environmental Law and specialist groups on Compliance issues.

Recommendation

The Bureau is invited to provide its views and guidance about possible priority areas of cooperation with IUCN and requests the Secretariat to continue preparing formal cooperation in accordance with the comments received.

1.3. Union for the Mediterranean (UfM)

9. Following Decision IG.20/13 requesting the Secretariat to also collaborate with the UfM, initial discussions on possible priority cooperation fields were held in a bi-lateral meeting between UNEP/MAP and UfM, led by the UNEP/MAP Coordinator and the Deputy Executive Secretary of UfM for Environment and Water. While both Organizations deal with the Mediterranean Environment, UNEP/MAP's work is of a legal and policy nature, while the UfM has a project-approach identifying, processing and mobilizing resources to support implementation. The UNEP/MAP shared with the UfM a format for MoU, based on which their legal services will propose a first draft for discussion. The preference would also be for a limited number of areas of cooperation, where both Organizations would learn to work together and progress could be achieved.

Possible fields of cooperation may include:

- a) Implement the H2020 Initiative to depollute the Mediterranean. UNEP/MAP will be undertaking an assessment of the implementation of National Action Plans (NAPs) based on which renewed action by UfM to "label" and mobilize resources for priority unfunded projects would follow;
- b) Maritime safety and prevention of pollution;
- c) Sustainable Development. Establish synergies for implementing the Mediterranean Strategy for Sustainable Development (MSSD) through projects relevant to advance some of the UfM sectoral priorities such as Water (water governance, water and climate change adaptation, water demand management, and water financing); establishing links with the Urban development cluster in line with the ICZM Protocol and Pollution reduction

objectives; and, the Mediterranean Solar Plan (MSP) particularly renewable energy policy and its effects. UfM could also be associated to the Mediterranean Commission on Sustainable Development.

Recommendation

The Bureau is invited to provide its views and guidance about the cooperation with the UfM and requests the Secretariat to continue preparing formal cooperation in accordance with the comments received.

1.4. Cooperation at sub-regional scale

10. The application of the ecosystems approach will require strategic action at different geographical scales and may demand a more intense cooperation at a sub-regional scale in the future. In this context, operational paragraph 12 of Decision IG.20/8 on the Ecosystem Approach requested the Secretariat to support Contracting Parties and enhance cooperation with other regional initiatives. Discussions have been held for carrying cooperation at sub-regional level on the following initiatives:
11. **Cooperation for the Adriatic Sea.** Being a semi enclosed sea within a semi-enclosed sea, the Adriatic is the most obvious case for working sub-regionally for the implementation of the Ecosystems Approach. The Adriatic Sea Environment Programme (ASEP) will be a new sub-regional initiative to facilitate restoration of the ecological balance, the achievement of ecological objectives and implementation of priority trans-boundary pollution reduction measures, in target areas of the Eastern shore of the Adriatic. The project would create a partnership between the WB, UNEP/MAP, GEF and countries of the Adriatic, and building upon positive experiences of the UNEP/MAP-GEF MedPartnership project. Investment financing by EU and other sources will be sought at a later stage.
12. The WB and UNEP/MAP have undertaken several rounds of consultation with the participating countries and potential partners who have expressed their support for the Programme which will be submitted to GEF Council and GEF CEO for endorsement later this year.
13. **Cooperation in the West Mediterranean linked to 5+5 process.** The meeting of the EcAp Coordination Group held in Athens at the end of May concluded that a pilot implementation programme could be carried out in the Western Mediterranean exploring the possibility to establish close cooperation with the 5+5 cooperation structure.

Recommendation

The Bureau is invited to provide its views and guidance on the possible role to be played by the Barcelona Convention in a context of enhanced sub-regional environmental cooperation. It may also want to express its views on the specific areas of sub-regional cooperation suggested. The Bureau also requests the Secretariat to continue developing cooperation in accordance with the comments received.

1.5. Cooperation with PERSGA

14. The Bureau may want to know that a request of cooperation has been received from the Regional Organization for the Conservation of the Environment of the Red Sea and the Gulf of Aden (PERSGA), with particular focus on parallel priorities on Ecosystem Approach, management of marine invasive species, management of marine litter and

regional indicators for measuring progress in integrated management of marine and coastal environments.

Recommendation

The Bureau is invited to provide its views and guidance about the cooperation with the PERSGA and requests the Secretariat to prepare formal cooperation in accordance with the comments received.

1.6. Service Agreement with UNEP

15. Decision IG.20/13 on Governance (Annex II, UNEP(DEPI)/MED IG 20/8) adopted during the 17th meeting of the COP of the Barcelona Convention states: "Requests UNEP to work during the next biennium with the Bureau of the Contracting Parties on finalizing a Memorandum of Understanding concerning the Secretariat Services to and support of the Convention, including the policy on bad debts, and to submit the Memorandum of Understanding to the 19th meeting of Contracting Parties", since there is no such agreement signed between them. The current arrangement is based on a decision taken by the Parties during their first COP. UNEP was then charged with providing administrative services to the Barcelona Convention. Since then, the parties have realized a lack of clarity regarding the respective administrative roles and responsibilities between the Secretariat and UNEP Headquarters. They requested a greater accountability for ensuring efficient and effective delivery of services to the Barcelona Convention and an increased transparency in the mechanism used for funding the provision of administrative services.
16. Following the above decision, a framework of the Memorandum of Understanding between the Barcelona Convention and the United Nations Environment Programme concerning Secretariat Services to the Convention is attached in Annex II for initial discussion by the Bureau.

Recommendation:

The Bureau takes note of the framework of the Memorandum of Understanding and requests the UNEP Headquarters to present a draft Memorandum of Understanding to the next Bureau meeting.

2. Ecosystem Approach Process

17. Decision IG.20/4 on Implementing MAP ecosystems approach roadmap adopted during the 17th meeting of the COP to the Barcelona Convention requested the Secretariat to continue progressing in the implementation of the next steps of the Ecosystem Approach (EcAp) process in the Mediterranean, while working towards the coherence and alignment of all MAP sectorial policies, so as to ensure that the EcAp will gradually become UNEP/MAP's core integrated implementation strategy. In accordance with the Decision, the implementation of the EcAp road-map during this biennium will focus on:
 - a. *Assessment*. Complementing the integrated assessment of the Mediterranean Ecosystem with a socio-economic analysis;
 - b. *Targets and Good Environmental Status*. Work on methodologies for the determination of good environmental status (GES) and target for each of the 11 agreed Ecological Objectives;
 - c. *Monitoring*. Prepare an integrated monitoring programme based on the indicators and targets;

- d. Develop and review relevant measures for implementation of EcAp. Updates and revisions of regional measures and sectorial policies in accordance with the EcAp; and,
 - e. Defining the overall Governance of the Ecosystem Approach.
18. Given the scope of the work to be undertaken, Decision IG.20/4 also established a new coordination structure within MAP, the EcAp Coordination Group (CG) consisting of MAP focal points, the Coordinating Unit, the MAP components and MAP partners to oversee the implementation of the ecosystem approach, identifying progress gaps in the implementation of the road map and finding feasible solutions for the advancement of the EcAp agenda. The CG group informs the Bureau about the results achieved and guides MAP components on actions to be taken.
19. The first Meeting of Ecosystem Approach (EcAp) Coordination Group was held in Athens, Greece on 29-30 May 2012. The meeting agreed on a Road-map of the implementation of EcAp in the Mediterranean during this biennium; a governance structure; guidelines for the Correspondence Group on GES & Targets; and, the need for piloting the integrated implementation of the EcAp. It is proposed that the work of each group be facilitated by an expert (Consultant or partner organization). The conclusions and recommendations of the meeting are attached as Annex III.
20. The Meeting discussed and agreed on the structures and processes that will support the EcAP CG in achieving the results for which it was established as follows:
- a. *Correspondence Group on GES and Targets:*
 - i. formed of three clusters: (1) Pollution and litter; (2) Biodiversity and Fisheries; and (3) ICZM and hydrological conditions, each composed of national experts designated by the Contracting Parties, UNEP/MAP partners, relevant projects and the scientific community, and will be coordinated by the UNEP/MAP CU.
 - ii. works to ensure efficient coverage and in-depth discussions and analysis of all EOs.
 - iii. expected outcome is defining the methodology for Mediterranean GES and targets, propose definition of Mediterranean GES & targets corresponding to agreed Ecological Objective and associated Operational Objectives.
 - b. *Correspondence Group on Monitoring:*
 - i. follows the similar structure and the process of Correspondence Group on GES and Targets.
 - ii. takes the outcomes of GES and Targets group into consideration.
 - iii. coordinated by MEDPOL in cooperation with all relevant RACs.
 - iv. expected outcome is the methodology to be applied for the preparation of the integrated monitoring programme.
 - c. *Correspondence Group on economic and social analysis:*
 - i. composed of national experts designated by the Contracting Parties and invited experts.
 - ii. coordinated by Blue Plan/RAC.
 - iii. further develop a socio economic analysis of marine ecosystems uses, focusing on priority sectors such as fisheries, aquaculture, maritime transport, recreational activities, oil industry and offshore.

21. At national level, the MAP FP will be the member of the EcAp Coordination Group (as decided by COP17). It is proposed that the countries should delegate a representative to each of the proposed Correspondence Group Clusters. Additionally, it is also proposed that, in order to ensure ownership, countries will be asked to assign experts for consultation purposes. It could be an expert per each EO, or country's own decision as relevant.

Recommendations from the Bureau:

At the request of EcAp Coordination Group, the Bureau is invited to provide its comments, recommendations and endorsement regarding the Terms of Reference of EcAp CG (Annex IV), structure and procedures of work for the implementation of EcAp as presented.

3. Extended Functional Review

22. Based on Operational Paragraph 10 of decision IG.20/13 on Governance adopted by the Contracting Parties to the Barcelona Convention at its 17th meeting in Paris, the Secretariat has initiated preliminary work to undertake an extended Functional Review to cover the whole MAP system in accordance with the Terms of Reference (TOR) set in Annex II of the Decision.
23. The Extended Functional Review will be managed by UNEP/DEPI, supported by the UNEP/Evaluation Unit and carried out in close consultation with the UNEP/MAP Secretariat. The UNEP/Evaluation Unit will manage the tendering procedures for the consultants that will carry out the review. The mission will start with an inception phase during which the methods for data collection and analysis will be defined; more detailed background information will be prepared; a scoping and details of the products to be delivered will take place; and, a concrete plan for the exercise determined. Visits to all Regional Activity Centers (RACs) will follow further to which the final mission report will be produced. The induction meeting will take place immediately after the summer.
24. The Bureau had agreed through email exchange that a contact group will be established to support the implementation of the Functional Review *pro-bono*. Following the very useful exchange of views with the members of the Bureau and the suggestions received as well as further consultations held with the UNEP Evaluation Unit on the issues raised during the discussion a revised version of the Terms of Reference for the Contact Group is attached in Annex V.
25. The Administrative process for launching the Extended Functional Review has started. A detailed budget based on the TORs of the Functional Review adopted by the COP was prepared and necessary administrative papers to initiate the call for proposal that will select the firm that undertakes the Review sent to UNEP/HQ. However, and in accordance with Operational Paragraph 17 of Decision IG. 20/14 on Programme and Budget for the 2012-2013 implementation had been put on hold until necessary funding was secured. The process is being launched now thanks to the support provided by the EU and Spain who have recently agreed to use unspent balances from their 2010-2011 voluntary contribution for this purpose.

Recommendations from the Bureau:

The Bureau is expected to exchange views, comment and endorse the proposals made regarding the Extended Functional Review and the Terms of Reference for the Mediterranean Contact Group.

4. RIO+20 – Outcomes and relevance with the Mediterranean

26. Operational paragraph 5 of Decision IG.20/13 on Governance adopted by the Contracting Parties to the Barcelona Convention at its 17th meeting in Paris invited the Steering Committee of the Mediterranean Commission for Sustainable Development to work, taking into consideration the availability of funds in consultation with the Bureau and with the assistance of the Secretariat, on reforming the MCSD in particular through revising its composition and sharpening its ability to contribute to sustainable development in the Region. To this end, the results of the United Nations Conference on Sustainable Development (Rio+20) should be considered.
27. The two themes for the Rio+20, Green Economy and Institutional Arrangements for Sustainable Development, are relevant for our region. The Mediterranean Strategy on Sustainable Development (MSSD) and some other of MAP's core work such as Integrated Coastal Zone Management (ICZM) and Sustainable Production and Consumption (SCP) are at the core of Green Economy strategies.

Recommendation

The members of the Bureau are invited to share their perspectives of the learning and innovation emerging from the Rio+20 Conference which is of relevance for the MAP-Barcelona Convention and in particular for implementing the mandate in Operational paragraph 5 of Decision IG 20/13.

5. Financial update and Administrative matters

5.1. Update on income and expenditures as at 31 May 2012

28. The official UNEP financial statement confirms the significant reduction achieved in the MTF deficit from 4.5m USD as at 31/12/2009 to 1.7m USD as at 31/12/2011 and also an improvement in the inter-fund borrowing situation from -5.4m USD to -4.2m USD respectively. With regards to MTF fund balance projection for the coming years, and provided the contribution scenario does not deteriorate, full deficit recovery is expected at the end of 2015, after which date an operational reserve can start building. This is in line with the targets set by the Secretariat as presented to the COP 17th meeting held in Paris in February 2012.
29. As at 15 June 2012, 74% of the 2012 MTF contributions have already been collected (Annex VI). This is a significant improvement from the 46% of last year and similar to that of 2010. The payment by the Government of Libya in April 2012 of an amount equivalent to their annual contribution shows their continued commitment to the Barcelona Convention. However, this payment will not impact the collection rate of 2012 due to the accumulated arrears. The Secretariat continued its effort to collect contributions through correspondence and bilateral meetings at high levels. Contributions by several parties are forthcoming according to information received by the Secretariat.
30. On the other hand, the Secretariat has been very successful in mobilizing external resources during January and April 2012, which is permitting the Secretariat to implement priority activities identified in the programme of work. Four major projects have been approved to date: 1) the SWITCH-MED (EUR 3.1 million) which aims at promoting sustainable consumption and production and resource efficiency; 2) the ECAP-MED Project (EUR 1.6 million) supporting UNEP/MAP to implement the COP decisions regarding the application of ecosystem approach in the Mediterranean in full synergy and coherence with the implementation of the European Union (EU) Marine Strategy Framework Directive (MSFD) both financed by ENRTP Trust Fund of the European

Commission; 3) the Shared Environment Information System (SEIS) project (EUR 650,000), which addresses the three SEIS components (cooperation, content and infrastructure) through enhanced networking with the national capacities on environmental information and 4) the Climate Variability Project funded by GEF (USD 2.3 million) which integrate Climatic Variability and Change into National Strategies to Implement the ICZM Protocol in the Mediterranean. The total external amount mobilized is about EUR 6.75 million plus an additional amount of about EUR 1.5 million, which is mobilized directly by the BP/RAC and REMPEC, which is 68% progress from the Resource Mobilization Plan.

31. Regarding expenditures, between January to April 2012 the majority of the funds received were spent on staff costs (66%) and operational expenses (23%) of the MAP system. Discussions on this matter were held during the International Maritime Organization (IMO) Council of 14th June 2012 and the UNEP/MAP Coordinator will orally brief the Bureau members of its outcome. If remaining contributions are not received in a timely manner, many of the Components will soon be in short of staffing costs. The implementation rate of the programmatic activities funded by MTF is low as the remaining funds have mostly been committed to securing the staff costs for the maximum period possible.
32. In line with Decision IG.20/14 on MAP Programme of Work and Budget for the 2012-2013 biennium (Annex III, UNEP(DEPI)/MED IG 20/8) adopted during the 17th meeting of the COP of the Barcelona Convention that "Authorizes the Coordinating Unit to make commitments up to 30 percent of the approved MTF operational budget on a temporary and exceptional basis until the operational reserve is built and to subsequently increase the commitments for the implementation of activities under the Programme of Work in line with the projected cash flow", the MTF allocations are limited to 45% of the 2012 approved budget corresponding to the collection rate achieved as at 31/5/2012 and are now being increased to 74% in accordance with the current rate.
33. The Coordinating Unit has developed 3 basic scenarios for collection of contributions in the course of 2012 and has examined the implications of each scenario in terms of fund availability to cover the salary costs of MAP components. The situation is different between the Coordinating Unit and MEDPOL and the rest of the components as the latter have allocated some of the MTF contribution to priority activities.
34. Scenario 1 with 75% collection rate, the funds would suffice to cover the entire estimated salary costs of the Coordinating Unit and MEDPOL, but for the RACs they would be sufficient only until October 2012, if they continue allocating the same percentage to priority activities.
35. Scenario 2 with 85% collection rate, the funds will allow RACs to cover their salary costs up to November 2012, if they continue allocating the same percentage to priority activities.
36. Scenario 3 with 95% collection rate, the funds would be sufficient to fully cover the salary costs of all MAP components for the whole year.
37. The financial report as of 30 April 2012 is in Annex VII.

Recommendation:

- 1. The Bureau takes note of the financial situation and encourages countries to pay as soon as possible their annual contribution to the MTF**

2. **The Bureau reviewed the various scenarios presented and encourages the Secretariat to take precautionary measures in implementing the POW until the collection rate situation becomes clearer.**

5.2. Financial Rule

38. Decision IG.20/14 on MAP Programme of Work and Budget for the 2012-2013 biennium (Annex III, UNEP(DEPI)/MED IG 20/8) adopted during the 17th meeting of the COP of the Barcelona Convention "Requests the Coordinating Unit in consultation with UNEP and UNON to develop for consideration by COP 18, financial rules for the Barcelona Convention as foreseen in Article 24.2 and proposals of reforming the budget presentation, explanation and decision making process, taking into account best practice in budget preparation and adoption by other UNEP administered MEAs", as the Convention does not yet have a financial rule adopted by the COP which provides a clear guideline for handling its funds.
39. Following the above decision, the Barcelona Convention Secretariat started developing Financial Rules in consultation with UNEP Headquarters taking into account existing financial rules of other UNEP administered MEAs including that of Basel Convention, while bearing in mind the uniqueness of the Barcelona Convention. The introduction of the financial rules is expected to:
 - provide a clear single guideline with regards to the handling of funds of the Barcelona Convention which overwrites the TORs of the MTF and the financial decisions made in the past which are currently scattered in various different documents and difficult to grasp in a comprehensive manner;
 - streamline the financial management of the Barcelona Convention with that of other UNEP administered MEAs to help governments, which are often Parties to a number of MEAs, understand financial rules of different MEAs at ease by grasping the principle applied to all while taking note of the uniqueness of each MEA as an additional feature;
 - clearly spell out the responsibilities and obligations of UNEP/MAP Secretariat as well as those of the Parties with regards to funds, budget, contribution, accounting and audits.
40. The following new provisions may be included in the draft financial rules to ensure sustainability of UNEP/MAP operations in line with equivalent clauses found in the financial rules of other MEAs:
 - a. A target number of days prior to key inter-governmental meetings by which draft meeting documents are provided to the Parties: 30 days in advance to the Meeting of Focal Points and 45 days before the meeting of the Conference of the Parties (Rule 3.1);
 - b. The Executive Secretary is authorized to make commitments based on the approved budget when covered by related income (Rule 3.3);
 - c. The scale of contributions to be adopted by the Conference of the Parties is linked to the scale of assessments of the United Nations which is updated/adopted by the General Assembly from time to time (Rule 5.1 (a));
 - d. Contributions for each calendar year are to be paid by 1 January of that year and the Parties should be notified of the amount of their contributions by 15 October of the previous year (Rule 5.2 (a) and (b));
 - e. The implication of 4 years accumulated arrears on the right of the concerned Parties is clearly defined (no membership to the Bureau and no voting right at the COPs unless otherwise agreed) (Rule 5.2 (f)).

41. Regarding point c. above, the last time that the MTF rates of assessment were aligned with the assessment rates to the regular budget of the United Nations was back in 1989 (UNEP/MED IG.1/4). Following the political and institutional changes in the region (changes in ex-Yugoslavia) and the inclusion of new Contracting Parties to the Barcelona Convention, there were some further adjustments until 1996, when the relative assessment rates were fixed to the level they still remain today (percentagewise). However, there have been annual increases in the total level of contributions until 2003 plus the conversion from USD to EUR in 2004, but without any impact on the assessment rates (percentages).
42. The methodology to align the MTF assessments to those of the UN regular budget can be briefly described as follows: The latest UN rates for the Contracting Parties are retrieved (the 64th General Assembly has decided on the rates for the years 2010-2012 which were based on statistical data from 2003 to 2009), the total of which amounts to 16.782% of the regular UN budget. Each individual UN rate is divided by the total (16.782% currently) to derive the corresponding MTF relative assessment rate. The MTF assessment of EU, which does not contribute to the UN regular budget, has been set at 2.5%, so each individual MTF rate as calculated before is multiplied by 97.5% to give the final MTF assessment rate after including the assessed contribution of the EU. It must be noted that, since the exercise has not been done for many years, the impact of the alignment to current UN rates may be substantial for some of the Contracting Parties.
43. The UN is in the process of moving to a new financial system of reporting in yearly basis in 2014. UNEP HQ will propose draft financial rule that reflects the new requirements well in advance before the next meeting of the Bureau. An explanatory note with UNEP Headquarters suggestions is provided in Annex VIII.

Recommendation:

The Bureau takes note of the suggestions on Financial Rules presented and requests the UNEP Headquarters to present a draft version to the next Bureau meeting.

5.3. Functional Review of the Coordinating Unit and MEDPOL

44. Decision IG.20/14 on MAP Programme of Work and Budget for the 2012-2013 biennium (Annex III, UNEP(DEPI)/MED IG 20/8) adopted during the 17th meeting of the COP of the Barcelona Convention states: "Approves and endorses the technical results of the functional review, and asks the Coordinating Unit to implement its results and in the process smoothen its implications (human, budget, programme of work) while making every effort to identify further savings, inter alia, through the reduction of employment of external consultants and the prioritization of activities. These savings should be directed as a priority to limit the implications of the functional review implementation. It also Requests the Coordinating Unit together with UNEP to submit to the next meeting of the Bureau a report on the possible total cost of outsourcing and indemnities related to the posts that are to be abolished."
45. Based on the above decision, the recommendations of the Functional Review on the structure of UNEP/MAP Coordinating Unit and MEDPOL have been implemented. The Staff whose posts were to be abolished received a formal notice from UNEP by 31st March 2012, following which five posts were advertised in the UN recruitment system, INSPIRA, between April 4 and May 4, 2012. The five include four posts newly created based on the recommendation of the Functional Review and a Programme Assistant post which became vacant due to recent retirement of the ex-incumbent. The posts were

opened to the internal candidates and the staff affected by the Functional Review was encouraged to apply to any of these positions which may be of interest to them.

46. An interview panel was formed in consultation with the UNEP/HQs, which consisted of four members and an ex-officio including two staff from outside UNEP/MAP, one from Geneva and the other from Nairobi, to ensure the maximum neutrality and objectivity of the process at the same time adequately addressing the local needs. A series of competency-based interviews as well as written exams was conducted between 7 and 11 May 2012, and the reports of the Interview Panel were submitted to the UNEP/HQs for the decision of the Central Review Panel. The applicants will be directly informed by HRMS/UNON of the results of the selection before 30 June 2012.
47. Simultaneously, negotiations continue between UNEP/HQs and some of the Functional Review affected staff on separation packages in cases they opt for leaving the organization. Since the process is on-going, the Secretariat will orally update the Bureau on progress achieved including on the estimate of the costs incurred in the implementation of the Functional Review.

Recommendation:

The Bureau takes note of the implementation status of the internal Functional Review of the Coordinating Unit and MEDPOL and requests the Secretariat to continue updating it in future sessions, as need be.

5.4. Policy on Costs of Administration and Staff of the MAP System

48. As per operational paragraph 7 of 17th CoP decision on Governance (IG.20/13), the Coordinating Unit was urged “to develop a common policy for all MAP components, to be submitted to the COP, on the costs of administration and staff”. At UNEP, operational costs are categorized into two: staff and non-staff costs. Staff costs are consisted of UNEP staff including both international and locally recruited staff. Any other costs are defined as being “non-staff” costs which include the rest of the Administrative costs and any other costs pertaining to the implementation of the Programme of Work.

a. Staff Costs

49. With regard to the whole UNEP/MAP system, there was no clear policy on staff costs or on administrative costs. Every component followed their own rules on staff as well as administrative costs. In addition, there was no clear policy set by the Contracting Parties on Staff and Administrative costs to be funded by MTF.
50. Staff Costs consume major part of the MTF budget of UNEP/MAP system (67.5%) which will be reviewed to keep it at an optimal level in the coming years reflecting the evolving needs in the region. Following the functional review which was implemented for the UNEP/MAP Coordinating Unit and MEDPOL, an extended function review will be conducted for the rest of the MAP system in 2012-2013 biennium as per the decision of 17th COP, and its result will be presented at the 18th COP for its consideration.

(i) UN Staff within UNEP/MAP system

51. The remuneration of the UN staff within the UNEP/MAP system, i.e. those at Coordinating Unit, MEDPOL, and the international staff of REMPEC, follows the ICSC salary scale based on the decision of the General Assembly of the UN. The rules governing this area and details of the calculation methodology are found at: <http://icsc.un.org/>

(ii) Non-UN Staff within UNEP/MAP system

52. Remuneration of non-UN Staff within the UNEP/MAP system are established in accordance with the prevailing conditions of service in the locality defined by the rules and regulations governing the respective RACs. Any adjustments in the salary scales applied by the RACs are presented at the COP for its approval. Once a clear policy is established to define the staffing costs to be financed by core funds of UNEP/MAP, it could perhaps be included in the new Host Country Agreements which are currently under discussion with the countries hosting RACs.
53. The remuneration of the PAP/RAC staff is influenced by the Croatian rules and regulations regarding conditions of service for employees in the public sector. The Host Country Agreement stipulates that PAP/RAC is following the relevant Rules of Procedure and the Centre's Statute, which are both fully in accordance with the Croatian public law.
54. The remuneration of international staff at RAC/SPA is generally calculated on the basis of the local prevailing conditions of employment relevant to the expatriates and that of regional or international institutions in Tunisia such as the Sahara and Sahel Observatory (OSS) and some study societies are considered as reference. The remuneration of national (local) staff is generally calculated on the basis of the level of salaries in similar national public institutions. Generally, staff remunerations are adjusted according to their skills, duties and experience.
55. The BP/RAC Staff is composed of seconded staff (from Ministries or public institutes) and locally recruited staff. The remuneration of locally recruited staff is generally calculated on the basis of the level of salaries in similar national public institutions. Generally, staff remunerations are adjusted according to their skills, duties and experience. The review mechanism is based on the value of the minimum wage in France.
56. There is no staff financed by the MTF fund at INFO/RAC and CP/RAC. Most staff is seconded from the local government and the rest are financed with project funds. The seconded staff is financed by the government directly and, therefore, their remuneration follows the local laws and regulations governing that of public servant.
57. In other Regional Seas, staff at the RACs are mostly seconded and/or supported by the respective host governments. For instance in the Caribbean, at REMPEITEC in Curacao the Director and the assistant are fully supported by the Curacao government as well as receiving support from other major donors. Four staff including the Director at RAC/SPAW in Guadeloupe, France, as well as the staff at the RAC/LBS in Havana, Cuba and in Chaguaramas, Trinidad, is fully supported by their respective host governments.
58. Similar to the Caribbean, all four RACs in the Northwest Pacific region are supported by their host governments/organizations and no funds are provided from its Trust Fund. Currently there are four staff at CEARAC in Toyama, Japan, three staff at DINRAC in Beijing, China, seven persons at MERRAC in Daejeon, Korea, and three persons at

ROMRAC in Vladivostok, Russia, which are all supported by their respective host governments.

b. Non-staff costs

(i) Administrative Costs

59. As reported to the Extended Bureau in Oct 2011, the MAP/Focal Point Meeting in Nov 2011, and the 17th COP in Feb 2012, significant savings were achieved through the reduction of Administrative Costs during the 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 and 2011 respectively from the Administrative costs as compared to those in 2009. RACs have also implemented a series of cost saving measures during 2010-2011 to be able to sustain their operations with less expenditure.

(ii) Activities Costs

60. These costs are generally categorized into Travel Costs, Consultancy Costs, Meeting Costs, sub-contracts with Implementing Partners, Stationeries and Equipment, and Miscellaneous such as rent, telephone costs, maintenance, etc.

(iii) Consultancy costs

61. A special attention was paid to "Consultancy" Costs, based on the discussion held at the 17th COP. As per operational paragraph 27 of the CoP decision on Programme of Work and Budget (IG.20/14), the C. Unit and MAP components were requested "to enhance the measures to further optimize the use of resources as compared to the previous biennium with regards to consultancy services, staffing, travelling expenditures, conferences, meetings and general administrative expenditures and report to the Bureau of their effectiveness". A comprehensive review of Consultancy in 2010-2011 for the Coordinating Unit and MEDPOL was conducted to maximize the efficiency in the use of Consultancy in 2012-2013. As is shown in the Consultancy Reporting attached (Annex IX), the use of Consultancy has been minimized during January to April 2012 at the CU and MEDPOL as well as at the RACs. During the period all Consultancies were financed either by the GEF fund or by External Funding and none by the MEL.

Recommendation:

The Bureau takes note of the cost of Administration and Staff and request the Secretariat to prepare a policy on consultants for the next meeting of the Bureau.

5.5. Report on Savings to be achieved

62. Decision IG.20/14 on MAP Programme of Work and Budget for the 2012-2013 biennium in the Annex II of UNEP (DEPI)/MED IG 20/8 states:

Request the Coordinating Unit and MAP Components to further enhance efficiency, effectiveness and accountability in the use of financial and human resources in accordance with the priorities set by the Meetings of the Contracting Parties and to report on the outcome of efforts made in that regard;

Request the Coordinating Unit and MAP Components to enhance the measures to further optimize the use of resources as compared to the previous biennium with regards to

consultancy services, staffing, travelling expenditures, conferences, meetings and general administrative expenditures and report to the Bureau of their effectiveness.

63. The Coordinating Unit formed a Task Force on “cost-saving measures” immediately after the 17th COP which identified areas in which further savings can be achieved as well as indicators to set up a baseline and a target and to quantify the savings to be achieved. Progress on the achievement of savings will be reported to the Bureau meeting towards the end of 2012 in the attached format which lists the areas to be monitored with respective indicators (Annex X). The work of the Task Force is planned to cover the RACs in the latter half of 2012.
64. Areas where the maximum savings could be achieved in terms of absolute value are: staff travel and meetings, by selecting the least costly options in every step of the administrative process such as minimizing the number of conference staff and using government facilities free of charge, applying reduced DSA according to UN Rules and Regulations by providing accommodation and meals directly.

Recommendation:

- 1. The Bureau takes note of the achieved savings and request the Secretariat to continue making every effort towards achieving the set goals in savings.**
- 2. The Bureau requests an update on savings achieved to be provided at the next meeting, including savings in operational costs of Regional Activity Centers.**

5.6. Report on the status of implementation of the Audit Recommendations

65. Between February and May 2012, a significant progress has been achieved in closing of the Audit recommendations of 2009 and 2011, i.e. 4 out of 5 outstanding recommendations have been closed from the 2009 Audit report and 2 out of 6 from the 2011 report are considered satisfactory by OIOS.
66. UNEP Office for Operations is currently following up on all recommendations with a particular focus on the critical ones that relate to individual responsibilities within UNEP/UNON in the process that led to the deficit. The process is directed by the Chef de Cabinet with the participation of Senior UNEP and UNON officials and supported by an external consultant.
67. The Secretariat has also made significant progress regarding recommendation 9 of the 2011 report on outstanding receivables from RACs. All the outstanding receivables over 24 months were analyzed by February 2012 and proposals of accounting entries to adjust the record were sent to the HQs in March 2012. The process of final closure is progressing well and it is expected to be completed in July 2012.
68. The status of the outstanding recommendations is summarized in Annex XI.

Recommendation:

The Bureau takes note on the status of implementation of the Audit recommendations and requests the Secretariat to report back on the follow-up status at the next meeting.

ANNEX I

Memorandum of Understanding between UNEP/MAP and the General Fisheries Commission for the Mediterranean

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED NATIONS ENVIRONMENT PROGRAMME IN ITS CAPACITY AS
SECRETARIAT OF THE MEDITERRANEAN ACTION PLAN (UNEP/MAP)
AND
THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)
ON BEHALF OF THE GENERAL FISHERIES COMMISSION FOR THE
MEDITERRANEAN (GFCM)

The United Nations Environment Programme (UNEP) acting as Secretariat of the Mediterranean Action Plan (UNEP/MAP) and, the Food and Agriculture Organization of the United Nations (FAO), acting on behalf of the General Fisheries Commission for the Mediterranean (GFCM), hereafter referred to as the Parties

WHEREAS UNEP/MAP has the mandate to support the implementation of the Barcelona Convention and its seven Protocols including ecosystem approach to the management of human activities that may affect the Mediterranean marine and coastal environment for the promotion of sustainable development. In this context, it serves, through its Coordinating Unit, as Secretariat to the Convention and its Protocols and it provides assistance through its components to the Contracting Parties building their capacity and undertaking actions to fulfil their obligations towards the Convention and its Protocols,

WHEREAS the GFCM is the existing Regional Fisheries Management Organization established in 1949 under the provisions in article XIV of the FAO Constitution with the aim of, inter alia, promoting the development, conservation, rational management and best utilization of living marine resources and of favouring the sustainable development of aquaculture and has a mandate over the Mediterranean Sea, the Black Sea and their connecting waters. It serves its Members through four subsidiary bodies and thematic working groups which facilitate the implementation of agreed policies and activities, as coordinated by a Secretariat,

WHEREAS the Parties have similar responsibilities and share common goals and objectives with regard to conservation of marine environment and ecosystems and the sustainable use of marine living resources and wish to collaborate to further these common goals and objectives within their respective mandates and governing rules and regulations,

WHEREAS in recent years, the collaboration between UNEP/MAP and the GFCM was mainly ensured through the Regional activity Centre for Specially Protected Areas (RAC/SPA) of UNEP/MAP within the framework of the Memorandum of Cooperation presented at the 32nd Session of the GFCM,

WHEREAS the Parties intend to conclude this Memorandum of Understanding with the aim to establish a broader cooperation aimed at harmonizing their activities and avoiding duplication through the following Memorandum of Understanding (hereafter referred to as "MoU"),

UNEP/MAP AND THE GFCM HAVE AGREED TO COOPERATE UNDER THIS MoU AS FOLLOWS:

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Clause 1

Purpose

1. Having regard to the respective mandates of the Parties, the purpose of this MoU is to provide a framework of cooperation and understanding and to facilitate collaboration between the Parties to further their shared goals and objectives in relation to the conservation of marine environment and ecosystems and the sustainable use of marine living and other natural resources in their fields of competence.

Clause 2

Scope

1. Areas of cooperation are agreed jointly in accordance with the clauses of this MoU and its Annex to enable the Parties to respond to current and newly emerging issues in the realm of the conservation of marine environment and ecosystems, and the sustainable use of marine living and other natural resources.
2. The Parties shall work together, to the extent possible, within the remit of their respective mandates, for the implementation of the activities undertaken pursuant to this MoU. The areas of cooperation for this MoU are :
 - 1) Promotion of ecosystem based approaches for the conservation of marine and coastal environment and ecosystems and the sustainable use of marine living and other natural resources;
 - 2) Mitigation of the impact of fisheries and aquaculture on the marine habitats and species by the use of best available techniques in fisheries and the development of sustainable aquaculture;
 - 3) Identification, protection and management of marine areas of particular importance in the Mediterranean (hot spots of biodiversity, areas with sensitive habitats, essential fish habitats, areas of importance for fisheries and/or for the conservation of endangered species, coastal wetlands);
 - 4) Integrated maritime policy with a special emphasis on marine and coastal spatial planning, and integrated coastal zone management, and other integrated zoning approaches, with a view to mitigate cumulative risks due to reduced access and availability of space affected by multiple and increasing conflictive uses;
 - 5) Legal, institutional and policy related cooperation.
3. The activities to be developed under the areas of cooperation indicated above are detailed in the Annex to this MoU. Specific activities will be identified and carried out on the basis of a separate legal instrument pursuant to Clause 3(8).
4. The areas of cooperation are relevant within the context of the mandates of the Parties. As appropriate, they will be revised to be in line with those decisions of the governing bodies of the Parties that might have a bearing on their respective mandates.
5. UNEP/MAP and the GFCM shall work together within the remit of their respective mandates, for the implementation of the activities undertaken pursuant to this MoU.

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6. This MoU seeks to further harmonize the activities of the Parties, optimise the use of resources and avoid duplication, while ensuring the complementarity in the actions taken. In this context, UNEP/MAP and the GFCM will inform each other of their respective capacity development and related initiatives so as to strengthen cooperation through a permanent platform, such as websites of the Parties.

Clause 3

Organizational arrangements pertaining to the cooperation

1. The Parties shall hold bilateral consultations on matters of common interest, in accordance with an agenda agreed in advance by them, aiming also at the development/review of their joint activities. Relevant international organisations and relevant initiatives/projects may be invited by both Parties to join such consultations that will take place at least once per year, through face-to-face meetings or remote conferences. The following two items should be examined at least once per year in occasion of consultations:
 - a) technical and operational issues related to furthering the objectives of the MoU;
 - b) review progress in the work by the Parties in implementing the MoU.
2. Further bilateral meetings at desk-to-desk and at expert level will be encouraged and convened on an *ad hoc* basis, as deemed necessary by the Parties to address priority matters regarding the implementation of activities in specific areas, countries and regions.
3. Where the Parties convene a meeting at which policy matters related to this MoU will be discussed, the Parties will, as appropriate, invite each other as observers. The Parties will consider the possibility of joint missions and the hosting of joint training activities and informal sessions. In this context, they will:
 - Ensure timely and adequate flow of scientific information and analysis between parties, such as stock assessments in the context of development of policy proposals, such as possible amendments to Annex II and III of the SPA/BD protocol.
 - Ensure coordination and synergies in the implementation at regional and, to the extent possible, national level, of commitment undertaken by the parties.
4. UNEP/MAP and the GFCM will inform their relevant governing bodies on the progress made in implementing this MoU by including this issue in the agenda of each Ordinary Meeting/Annual Session of their respective governing bodies (Contracting Parties Meeting for UNEP/MAP and Commission Session for the GFCM).
5. The Parties will encourage, and where possible promote, contacts, exchange of information and joint activities at national level between their focal points, particularly in those countries where the focal points for the Contracting Parties are not the same. The Parties may subsequently develop these contacts, exchange of information and joint activities taking care of safeguarding the confidentiality of the information and documents that have this character.
6. Within the remit of areas of cooperation set in Clause 2(2), collaboration between UNEP/MAP and the GFCM will be carried out, as appropriate, through joint elaboration, fundraising for and implementation of projects on specific issues of common interest.
7. Neither Party shall engage in fund raising with third Parties for activities to be carried out within the framework of this MoU in the name of or on behalf of the other.

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8. Nothing under this MoU imposes financial obligations upon either Party. If the Parties mutually agree to allocate specific funds to facilitate an activity undertaken pursuant to this MoU, such an agreement will be reflected in writing and signed by both Parties. In particular, for the implementation of joint activities within the framework of this MoU that might involve payment of funds, a specific separate legal instrument will be entered into, as appropriate, taking into account those relevant administrative and financial rules and procedures applicable to the Parties.
9. The Parties will undertake, within their global knowledge network and to the extent possible, to facilitate mutual access to relevant information and body of work as well as dissemination between them. The Parties will consider the possibility of joint missions and the hosting of joint training activities and information sessions.
10. Both Parties shall identify one or more focal points within their internal organizational structure to coordinate cooperation under this MoU. In addition, both Parties shall identify an overall focal point responsible for the implementation and the monitoring of the activities under this MoU.
11. Taking full account of clauses 6 and 7, the parties shall consult on the way to promote their cooperation and their common goals.

Clause 4

Status of personnel

1. For the purpose of implementation of this MoU, no agents, sub-contractors or employees of one of the Parties shall be considered in any way as agents or staff members of the other Party. Each of the Parties shall not be liable for the acts or omissions of the other Party or its personnel/persons performing services on behalf of it.
2. The Parties are not being responsible for any salaries, wages, insurance or other benefits due or payable to the other Party's personnel. Moreover the other Party shall be solely responsible for all such salaries, wages, insurance and benefits, including without limitation, any severance or termination payments to such personnel. The Parties shall entertain no claims and have no liability whatsoever in respect thereof.

Clause 5

Dispute settlement

In the event a dispute or controversy arises out of, or in connection with this MoU, the Parties shall use their best efforts to promptly settle through direct and amicable negotiations such dispute or controversy or claim arising out of or in connection with this MoU or any breach thereof. Any such dispute, controversy or claim which is not settled sixty (60) days from the date either Party has notified the other Party of the nature of the dispute, controversy or claim of the measures which should be taken to rectify it, shall be resolved through consultation between the executive Heads of the Parties.

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Clause 6

Official emblems and logos

1. Neither Party shall use the name, emblem or logos of the other Party, its subsidiaries, affiliates, and/or authorized agents, or any abbreviation thereof, in publications and documents produced by the Parties, without the express prior written approval of the other Party in each case.
2. In no event will authorization of the UNEP/MAP or the GFCM name or emblem, or any abbreviation thereof, be granted for commercial purposes.

Clause 7

Intellectual property rights

The Parties shall consult with each other regarding the intellectual Property Rights as appropriate relating to any project or benefits derived thereof in respect of activities carried out under a separate legal instrument pursuant this MoU.

Clause 8

Notification and amendments

1. Each Party shall notify the other in writing, within 3 months of any proposed or actual changes that it deems necessary for this MoU.
2. Upon receipt of such notification, the Parties shall consult each other with a view of reaching an agreement on any actual or proposed change(s) suggested in accordance with Clause 8 (1).
3. This MoU may be amended only by mutual agreement of the Parties reflected in writing.

Clause 9

Interpretation

1. The Annex to this MoU will be considered part of this MoU. Unless the context otherwise requires, references to this MoU will be construed as a reference to this MoU including the Annex hereto, as varied or amended in accordance with the clauses of this MoU.
2. This MoU supersedes all prior memoranda, including with RAC/SPA, communications and representations between the Parties, whether oral or written, concerning the subject matter thereof.

Clause 10

Termination

1. This MoU may be terminated by either Party by giving prior written notice to the other Party. It shall cease to exist in three (3) months following notification of the termination of this MoU. In that event, the Parties will agree on measures required for the orderly conclusion of any ongoing activities.

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2. Unless agreed otherwise, upon termination of this MoU, the rights and obligations of the Parties defined under any other legal instrument pursuant this MoU, will cease to be effective, unless provided otherwise.

Clause 11

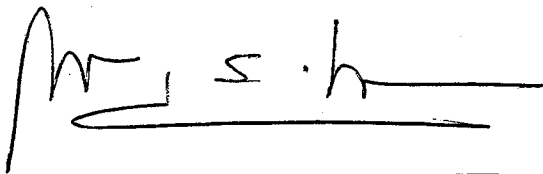
Duration

1. This MoU shall enter into force once it is signed by the duly authorized representatives of both Parties. As of that moment, the MoU shall remain in effect until terminated in accordance with Clause 10 above. Its content shall be reviewed every two (2) years, as appropriate.
2. This MoU is signed in two (2) original copies in English equally authentic.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below.

For UNEP, on behalf of the Secretariat of the MAP

For FAO, on behalf of the GFCM



Name: Ms Maria Luisa Silva Mejias
Title: Executive Secretary and Coordinator
Date: 14 May 2012



Name: Mr Abdellah Srour
Title: Executive Secretary
Date: 14 May 2012



Annex 1

ACTIVITIES RELATING TO THE AREAS OF COOPERATION OF THIS MoU

1. Promoting ecosystem based approaches for the conservation of the marine and coastal environment and ecosystems and the sustainable use of its living and natural resources

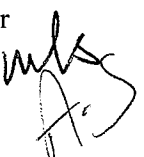
- Contribute to the formulation/implementation of a regional framework strategy based on the ecosystem approach and on agreed indicators and reference points (ecological, biological, etc.) to monitor the status of the marine environment and coastal ecosystems and that of marine living natural resources;
- Cooperate in undertaking assessments of the state of marine environment and ecosystems and that of marine living resources, including socio economic aspects relating to the impact of the exploitation of fisheries on marine environment and ecosystems, the impact of the establishment of marine protected areas on marine living resources, and the impact of coastal and marine aquaculture;
- Collaborate in formulation/development and implementation of key regional strategies to integrate the environment in social and economic development especially in relation to fisheries and aquaculture.

2. Mitigating the impact of fisheries and aquaculture activities on the marine habitats and species

- Collaborate in the elaboration, including extra-budgetary fundraising, of a joint regional project on the evaluation and mitigation of by-catch of endangered and non-target species and of the impact of fishing gears on marine habitats;
- Consider initiatives to develop the concept of marine spatial planning in a manner that takes into account fisheries and aquaculture activities, activities for the preservation of marine habitats and associated species, and possible conflicts between these activities and other uses of the sea (e.g. shipping, marine renewable energies, etc.);
- Exchange data and information on deep sea habitats in order to further the knowledge of these habitats, their biodiversity and their living resources for the purpose of better management;
- Collaborate in initiatives that raise awareness and mitigate major impacts such as those related to reduce amount of fishing gear as litter, etc.

3. Identification, protection and management of ecologically or biologically significant marine areas (EBSAs), marine areas of particular importance (hot spots of biodiversity, areas with sensitive habitats, essential fish habitats, areas of importance for fisheries and/or for the conservation of endangered species, coastal wetlands)

- Enhance collaboration with other relevant organizations as appropriate, including those whereby other MoUs have been signed, to create a common regional database of sites of particular importance for biodiversity conservation and for fisheries management, complementary and coherent to the MAP database on pollution and biodiversity monitoring;
- With regard respectively to the Specially Protected Areas of Mediterranean Importance (SPAMIs) and the Fisheries Restricted Areas (FRAs) in particular those located partially or wholly on the Areas Beyond National Jurisdiction (ABNJ), the Parties will collaborate to harmonize existing respective criteria to identify those areas, for the cases where their



location may be coincident and in the selection of mechanisms needed for their establishment;

- The Parties will cooperate to promote respective Parties adoption of eventual Management Schemes developed within SPAMIs and FRAs to ensure that measures are consistent with the objectives pursued and respectful with the Mandates of both organisations. Measures with potential impact on fisheries in SPAMIs will be discussed by the Parties with the spirit of optimizing common goals.
- Monitor the status of the species listed in Annexes 2 and 3 to the Protocol concerning Specially Protected Areas and Biological Diversity in the Mediterranean; pursue to ensure that exploitation of all species included in annex 3 is regulated, following Article 12, paragraph 4 of the ASP/ BD Protocol.
- Cooperate in undertaking assessments of the state of coastal lagoons and other relevant coastal wetlands to be used for the formulation and dissemination of sustainable management measures and sustainable use of its living resources.

4. Integrated Maritime Policy

- Study the impacts of climate change on the marine environment and ecosystems and their marine living resources;
- Contribute to the formulation and adoption of appropriate fisheries and aquaculture adaptation and mitigation measures to climate change in relation to the environment, and including enhancing knowledge and communication;
- Strengthening scientific advice on issues of common interest, including the negative effects of pollution of the marine environment and ecosystems on marine living resources and ways to better address cumulative impacts;
- Explore new fields of investigation applied to the conservation of marine environment and marine ecosystems and the sustainable use of marine living resources to promote an integrated approach to environmental and fisheries related issues;
- Collaborate in initiatives related to the implementation and monitoring of the Integrated Coastal Zone Management (ICZM) approach and marine spatial planning as well as other zoning approaches; and,
- Develop and implement a joint pilot project.

5. Legal, institutional and policy related cooperation

- Consult regularly on policy issues of common interest to identify synergies;
- Promote exchanges of information and data as appropriate, and share the results of this cooperation through a website;
- Participate (as permanent member in the case of the GFCM) to the Mediterranean Commission on Sustainable Development so to formulate sustainable development frameworks and guidelines for coastal areas management;
- Exchange views regarding the governance of the Mediterranean, with particular regard to those areas located beyond national jurisdiction and take part, where possible, to ongoing initiatives aimed at improving the said governance;
- Organize joint side events, where necessary and including together with other organizations, while being in attendance of meetings held in other international fora that could be relevant to further the promotion of the goals and objectives of this MoU;
- Promote cooperation and exchange of information at the level of their compliance committees, as set up under UNEP/MAP and the GFCM framework, to address issues of common concern (discharges into sea, illegal, unreported and unregulated [IUU] fishing, etc.)
- Be involved, as appropriate, in those projects implemented by the other Party;

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- Be invited to regional/sub-regional meetings and subsidiary bodies meetings of interest as organized respectively by each Party, such as SPA/RAC meetings and meetings related to the implementation of the ecosystem approach.
- Coordinate positions within international fora which involve both Parties.

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ANNEX II

**Memorandum of Understanding between the Barcelona Convention and the
United Nations Environment Programme Concerning Secretariat Services to
and Support of the Convention**

Memorandum of Understanding between the Barcelona Convention and the United Nations Environment Programme Concerning Secretariat Services to and Support of the Convention

The UNEP/DEPI is working on a draft MOU between UNEP and the Parties to the Convention concerning the support to be provided by UNEP/MAP Secretariat through the delegation of authority by the Executive Director (ED) of UNEP. This MOU may include:

- The Preamble section which will be cognizant of and provide some background to the MOU, such as, the Relevant COP decisions, relevant articles of the Convention itself as well as relevant UNEP GC decisions related to the subject matter of the MOU;
- The Operative Section which will contain detailed paragraphs on the nature of the services provided or to be provided by UNEP to the Secretariat and Parties as they relate to administrative, human resources and fund management functions and responsibilities of UNEP provided through a delegation of authority by the ED to the Coordinator of the Secretariat;
- In this regard, the programmatic relationship between the ED and the Parties through the COPs and the Bureau will be clarified as well as that of the ED through the Secretariat to the COPs. In other words, the legal autonomy of the Convention in relation to UNEP and that of the role and functions of the Secretariat to serve and service the Convention and its Parties will also be clarified. The need for the ED to consult with the Parties regularly through the Bureau is expected to be included in the MOU;
- Furthermore, the role of the ED and his responsibility in relation to the Secretariat and its staff in terms of recruitment of the Coordinator and other Secretariat staff including at what point the Parties through the Bureau may be consulted for the selection of the former will be indicated and proposed. Nature of performance evaluation and appraisals of all staff and how conducted in accordance with the criteria set under relevant UN rules and regulations will be provided. The Bureau may be invited to share views regarding the performance of the Coordinator and if so, the MOU will provide for such opportunity. The nature and content of the possible delegation of authority by the ED to the Coordinator will be spelt out in the MOU with possible details to be elaborated in a separate document to be signed by the two individuals;
- Nature of administrative support to be provided to the Secretariat and the Parties will be elaborated including the allocation of the percentage of programme support cost charged on income attributable to the Convention trust funds managed by the Executive Director;
- In addition, detailed provisions related to financial and budgetary matters will be elaborated including the establishment and management of the trust funds for the Convention. Role of UN Board of Auditors on trust funds managed by UNEP on behalf of the Parties will be spelt out in the MOU; and,
- MOU will also provide an opportunity for the ED to submit an annual report to each regular COP as well as to the Bureau as needs arise concerning the provision of and support to the Secretariat, as appropriate.

UNEP is currently using these elements as the basis to prepare the MOU as requested by the COP. The Bureau views on this framework during its first meeting in July 2012 will

be considered in the draft that will be prepared and will be shared with the Bureau well in advance of its next meeting in accordance with the Bureau Rules of Procedures.

ANNEX III

Draft Conclusions and Recommendations of 1st EcAP Coordination Group Meeting

Draft Conclusions and Recommendations of First EcAP Coordination Group Meeting

First Meeting of Ecosystem Approach (EcAp) Coordination Group, held in Athens, Greece on 29-30 May 2012, welcoming the progress achieved in the implementation of EcAp since 2008, especially prior to and after the 17th Meeting of the Contracting Parties to the Barcelona Convention, where it was requested from UNEP/MAP to complete all pending activities in the 7 steps process for the implementation of the EcAp in the Mediterranean moving towards ensuring that EcAp becomes MAP's core implementation strategy, had the objective to

- *Agree on a road-map on the activities to be undertaken by MAP under the EcAp process during this biennium so as to meet the expectation of the Contracting Parties for the 18th Meeting of the COP;*
- *Discuss a Governance structure to support EcAp Coordination Group in guiding the EcAp activities in this biennium;*
- *Provide substantive inputs upon which a common methodology for defining Good Environmental Status and targets for the 11 Ecological Objectives in the Mediterranean can be based; and,*
- *Discuss the activities and coordination needed towards the development of the integrated monitoring program and socio-economic analysis*

The meeting agreed on a number of conclusions and recommendations as follows:

1. Road-map of the implementation of EcAp in the Mediterranean

- 1.1. To request the Secretariat to amend the draft terms of reference for the socio-economic assessment (Document UNEP(DEPI)MEDWG. 369/5) with regard to decision IG. 20/4 and reflecting the outcome of the discussions under agenda item 8;
- 1.2. To appreciate and acknowledge the financial support provided by European Union for the Project "Implementation of the Ecosystem Approach in the Mediterranean- (EcAp-MED)" and to request the Secretariat to distribute the Project Document when the administrative procedures are finalized and integrate its work in the EcAp Coordination Group;
- 1.3. To request the Secretariat to ensure that UNEP/MAP components take ownership of EcAp objectives in their Plans of Action and other activities;
- 1.4. To request the Secretariat to ensure and provide regular updates to the EcAp Coordination Group on all sectorial and integrated activities related with the implementation of EcAp by UNEP/MAP components; and,
- 1.5. To request UNEP/MAP to notify all MAP and component focal points of the EcAp process and timeline.

2. Governance

- 2.1. To request the Secretariat to finalize a Terms of Reference for the EcAp Coordination Group for endorsement during the next meeting of the Bureau;
- 2.2. To request the Secretariat to establish a GES & Targets Correspondence Group that will define GES and set targets using a common methodology at the Mediterranean and appropriate subscales;
- 2.3. To request the Secretariat to also establish a Monitoring Correspondence Group that will carry out the necessary activities to develop an integrated monitoring program;
- 2.4. To request the Secretariat to also establish a Socio-economic Analysis Correspondence Group;

- 2.5. To request the Secretariat to prepare ToRs for the Correspondence Groups on GES & Targets, Monitoring, and Socio-economic Analysis including their composition, mission statement and a tentative calendar of activities, and share for consideration by the EcAp Coordination Group by correspondence;
- 2.6. To request the Secretariat to ensure that the work of the GES & Targets and Monitoring Correspondence Groups is logically sequenced and coordinated in a holistic manner;
- 2.7. To endorse the three-cluster approach under both GES & Targets Correspondence Group and the Monitoring Correspondence Group, and request the Secretariat to establish them. These clusters are Pollution and Litter (EO 5, 9, 10 and 11), Biodiversity and Fisheries (EO 1, 2, 3, 4 and 6) and ICZM (EO 7 and 8);
- 2.8. To request the Secretariat to ensure full participation of all UNEP/MAP components in supporting relevant groups and clusters;
- 2.9. To request the Secretariat to promote the participation of UNEP/MAP partners, relevant projects (PEGASO, PERSEUS and others) and the scientific community, at all relevant levels, such as Correspondence Groups and clusters;
- 2.10. To request the Secretariat to share with the Bureau the plans to use external expertise in the EcAp implementation process (Abstention by Italy); and,
- 2.11. To note efforts to ensure parties' ownership while allowing countries flexibility in deciding the extent of their participation in the subgroups.

3. Guidelines for the Correspondence Group on GES & Targets

- 3.1. To agree that the Correspondence Group on GES and targets will propose definition of Mediterranean GES & targets corresponding to the agreed Ecological Objective and associated Operational Objectives and/or Indicators.
- 3.2. To agree that the work of the Correspondence Group on GES and Targets will be carried out in a progressive manner,
- 3.3. To provide guidance for the Clusters to enable a common methodology, including the following points:
 - 3.3.1. Clusters should initially establish GES, focused on state, for each EO;
 - 3.3.2. Clusters should consider thematic integration as targets are being defined, such that targets for one EO are developed with other EOs in mind, reflecting the interplay of various ecosystem components and processes. Initially this integration might occur across the Clusters (i.e. within biodiversity cluster, pollution cluster, or coastal zone cluster), but integration will have to happen across all EOs. Geographic integration will be accomplished at various scales in the roll-out of pilots and national initiatives – but data compatibility should be considered in order to allow integration at the sub-regional and Mediterranean scale;
 - 3.3.3. The Secretariat is requested to prepare an inventory of already identified objectives / targets existing under protocols, strategies, action plans, protected areas and other areas of ecological significance, biennial implementation plans, other treaties, etc. to serve as a foundation for discussion of targets and GES. Priority should be given to what has been agreed under the Barcelona Convention;
 - 3.3.4. Targets should address pressure, state or impacts related to the ecological objectives, operational objectives and indicators. More information is generally available on pressures than on state and impacts for a specific issue. The establishment of all relevant targets emanating from human activities will allow

the design of coherent management measures using the precautionary approach and serve well the ecosystem approach;

- 3.3.5. The detailed understanding of OOs, as related to the indicators accepted by the COP, should be agreed early in the work of the Clusters, so as to capture the intent of EOs and the need to identify reasonable targets with regards to criteria defined by socio-economic analysis;
- 3.3.6. Scale should be tackled in the discussion of each EO, including whether at a specified scale, indicators associated with OOs can be assessed qualitatively, quantitatively, and whether data exist. In principle, scales should be national and when possible regional (Mediterranean) and transboundary or sub-regional. GES would normally be defined at a higher scale (Mediterranean or sub-regional) than the targets (which will be defined at national or sub-national);
- 3.3.7. The aim of all Clusters should be to identify targets that are as quantitative as possible. For some EOs targets will likely be qualitative, reflecting upward or downward trend and not tied to specific timelines (slope of trend). Phasing can allow more quantitative approaches to be utilized as EcAp implementation progresses. For some EOs threshold determination may be possible immediately while others may have to rely on trend information;
- 3.3.8. Reference conditions versus background conditions should be discussed by each cluster; setting targets and GES determinations should steer countries towards priorities for restoration, not just maintenance of *status quo*;
- 3.3.9. Indicators and Targets should be prioritized in regards to contribution to overall Mediterranean-wide ecosystem health and productivity. The degree to which some indicators and targets are more of a priority than others, and perhaps some EOs are more of a priority than others, should be addressed by each cluster and the criteria used specified; and,
- 3.3.10. Clusters should come to terms with the situation that arises when a country does not have enough information to address a particular OO. A prioritized or ranked/weighted system of targets should focus on priorities relating to impact, as well as data availability.

4. Piloting integrated implementation of EcAp

- 4.1. At the initiative of the countries concerned, the development of EcAp pilot projects at various scales (subnational, national and trans-boundary) and distributed throughout the Mediterranean will be encouraged, in order to allow: 1) testing the conceptual basis of EcAp (including the viability of target development and thematic integration); 2) assessment of data availability and compatibility; and 3) implementing geographic integration. For the purposes of integration, it would be useful if at least one of the pilots is carried out at a small scale as well as at least one trans-boundary pilot that spans different countries. In this context, a pilot on the Western Mediterranean linked to existing processes (5+5) and structures may be explored.

5. Other issues

- 5.1. Due to the importance of this process, countries are encouraged to ensure the widest possible participation in all stages of the EcAp implementation.

ANNEX IV

Draft Terms of Reference of EcAp Coordination Group

Draft Terms of Reference for Ecosystem Approach Coordination Group (EcAp CG)

Background

Based on Operational Paragraph 6 of decision IG.20/4, "Implementing MAP ecosystem approach roadmap: Mediterranean Ecological and Operational Objectives, Indicators and Timetable for implementing the ecosystem approach roadmap" adopted by the Contracting Parties to the Barcelona Convention at its 17th meeting in Paris, it was decided to establish an EcAp Coordination Group (EcAp CG) consisting of MAP focal points, the Coordinating Unit, the MAP components and MAP partners to oversee the implementation of the ecosystem approach, identifying progress gaps in the implementation of the road map and finding feasible solutions for the advancement of the EcAp agenda.

Mandate

1. In accordance with the Decision IG.20/4, EcAp CG shall integrate and give guidance to the work under the Barcelona Convention:
 - a) On the delivery of the ecosystem approach, making sure that all elements for its implementation are taken into account, weighting of priorities and resource implications; and,
 - b) Coordinating UNEP/MAP's facilitation role, in support of Contracting Parties in their implementation of EcAp.

Key activities

2. EcAP CG reviews and gives guidance on the way forward to the progress of EcAP implementation road map presented by UNEP/MAP in each EcAp CG Meeting.

With regard to Initial Assessments

3. Receive, review and endorse the work of the Clusters of the Socio-economic Analysis Correspondence Group regarding the necessary assessments to complement the integrated assessment of the Mediterranean Ecosystem with a socio-economic analysis

With regard to determination of Good Environmental Status and development of associated targets and indicators

4. Receive, review and endorse the work of the Clusters of GES & Targets Correspondence Group regarding the definition of GES and setting of targets ,which will be developed through a common methodology at the Mediterranean and appropriate subscales;

With regard to monitoring and assessment

5. Receive, review and endorse the work of the Clusters of the Monitoring Correspondence Group and Clusters regarding the development of an integrated monitoring program;

With regard to programmes and measures

6. Consider whether the measures required at regional level through MAP sectoral policies to achieve the objectives of the EcAp in the Mediterranean are coherent and coordinated; and provide guidance to UNEP/MAP and its components

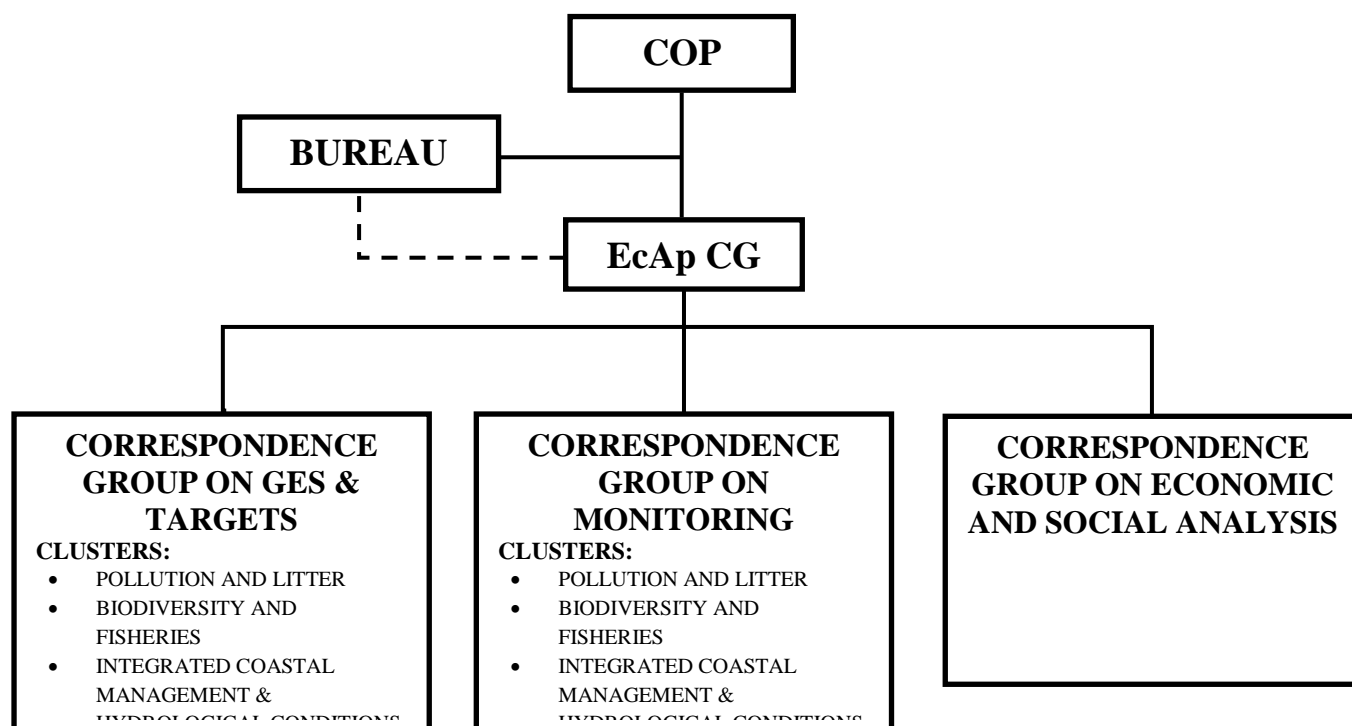
With regard to overall governance of EcAp implementation in the Mediterranean

7. Advice on ways to ensure full participation of relevant UNEP/MAP partners, relevant projects and the scientific community, at all relevant levels, such as Correspondence Groups and clusters.
8. Consider cooperation with other European and/or other Regional Seas Conventions and EU to allow comparisons across borders of respective maritime areas
9. Inform the Bureau about the results achieved.
10. Validate at policy level and in an integrated manner the results of the scientific and technical work carried out at regional and sub-regional level and prepare the necessary draft decisions for the MAP FPs and COP consideration.

Operation

11. EcAp CG Meetings will be led by a Chair-person, 2 vice-chairpersons and a rapporteur, elected at the beginning of the Meeting.
12. EcAP CG meets annually and more frequently if required.
13. “The rules of procedures for meetings and conferences of the Contracting Parties to the Convention for the Protection of the Mediterranean Sea against Pollution and its related Protocols” is applied for the organization and operation of the EcAP CG Meetings.

The Organizational Chart



Coordination support by UNEP/MAP CU and its components

ANNEX V

Draft Terms of Reference for the Contact Group of Extended Functional Review

Draft Terms of Reference for the Contact Group of Extended Functional Review

The 17th Meeting of the Contracting Parties to the Barcelona Convention (COP) held in Paris on February 2012 agreed to undertake a functional review of the UNEP/MAP – Barcelona Convention system with a view to better equip itself to efficiently and effectively address the challenges of the future. The Terms of Reference as approved by the Contracting Parties to the Barcelona Convention through Decision IG.20/13 are attached as annex 1 to this document. This Review complements a Functional Review of its Coordinating Unit and Pollution Programme (MEDPOL) which was endorsed by the 17th COP Meeting.

The Functional Review will be outsourced to a consultancy firm engaged by the Secretariat through external procurement following the standards of UN competitive bidding processes and working in accordance with the TOR decided by the Contracting Parties. The consultancy firm will work in close association with the entities or other cooperating agencies responsible for the administration of Regional Activity Centers (RACs). Within the Secretariat, the UNEP/Evaluation Unit will tender the contract while the Functional Review will be managed by the UNEP/DEPI with the support of the Coordinating of the UNEP/MAP and under the overall supervision of the Bureau of the Contracting Parties to the Barcelona Convention. The Functional Review is expected to be carried out during the second half of 2012. The final report will be submitted to the Bureau for their consideration.

Purpose

Given the complexity and level of ambition of the task to be undertaken, it is proposed that the Functional Review (FR) exercise be assisted by a Mediterranean Contact Group (MCG).

The MCG will act as an independent reference board providing strategic, external and frank advice to the Secretariat who manages the review and ultimately to the Bureau on the institutional and policy context for the protection of the Sea and the Coast in the Mediterranean, acting as a sounding board for the proposals being considered for the future of the system and participating in the final reporting to the Bureau.

Scope of work

The MCG advises on the review, sharing their views and opinions on the Review through the Secretariat who has the responsibility for managing the sub-contract.

The MCG provides its advice during three critical junctures of the Functional Review exercise. It will thus provide its input to: the induction meeting launching the activities of the external service provider at which the Secretariat will also participate, including a teleconference with MAP Components; the draft preliminary report; and, the Bureau during its consideration of the final report.

Concretely, the MCG provides advice to the review team by reading and commenting on the inception report which will be communicated to them by the entity that is managing the review. They will also provide comments on the draft review report, and on the final report before it is submitted to the Bureau of the Contracting Parties. They will be available for further advice to the Bureau, as need be.

This will require the MCG to participate in three meetings. Their participation costs will be covered in accordance with UN standard policies and procedures.

Composition

The MCG will be made of a group of three senior experts combining a very good understanding and hands-on experience of policies for the protection of the marine and coastal environment and sustainable development in the Mediterranean, the European Union and globally. It will also include an expert on review methods and processes from the UNEP/Evaluation Unit.

The MCG members will collectively represent the geographical and issue perspectives present in the Mediterranean and addressed under the UNEP/MAP – Barcelona Convention. Since independence and neutrality are at the essence of the role they are called on to play, members of MCG will preferably come from countries other than those where the Coordinating Unit and Regional Activity Centers are located and not currently hold responsibilities under the UNEP/MAP structure.

MCG members will be selected by the Bureau following a proposal from the Secretariat.

Background

The Mediterranean Action Plan (MAP), and its legal framework, the Barcelona Convention, were adopted in 1975 and 1976 respectively, under the umbrella of the United Nations Environment Programme (UNEP). The main objectives of the Barcelona Convention are to assess and control marine pollution; ensure sustainable management of natural marine and coastal resources; integrate environmental protection into social and economic development; protect the marine environment and coastal zones; protect natural and cultural heritage; strengthen solidarity among Mediterranean coastal States; and contribute to an improvement of the quality of life in the Mediterranean region. Seven Protocols addressing specific aspects of Mediterranean environmental conservation further develop and complete the UNEP/MAP – Barcelona Convention legal framework.

The seven Protocols are: the Protocol for the Prevention of Pollution of the Mediterranean Sea by Dumping from Ships and Aircraft (the Dumping Protocol) adopted in 1976 and amended in 1995 which is pending only one ratification to enter into force; the Protocol concerning cooperation in preventing Pollution from Ships and, in case of Emergency, combating Pollution of the Mediterranean Sea (the Prevention and Emergency Protocol) adopted in 2002 which entered into force in 2004; the Protocol for the Protection of the Mediterranean Sea against Pollution from Land-Based Sources of Activities (LBS Protocol) as amended in 1996 which entered into force in 2008; the Protocol Concerning Specially Protected Areas and Biological Diversity in the Mediterranean (SPA and Biodiversity Protocol) adopted in 1995 which entered into force in 1999; the Protocol for the Protection of the Mediterranean Sea against Pollution resulting from Exploration and Exploitation of the Continental Shelf and the Seabed and its Subsoil (Offshore Protocol) adopted in 1994 and entered into force in 2011; the Protocol on the Prevention of Pollution of the Mediterranean Sea by Transboundary Movements of Hazardous Wastes and their Disposal (Hazardous Wastes Protocol) adopted in 1996 and entered into force on 2008; and, the Protocol on Integrated Coastal Zone Management in the Mediterranean (ICZM Protocol) adopted in 2008 and entered into force on 2011.

In 1995 the Barcelona Convention was amended, broadening MAP's mandate beyond marine pollution control to include planning, management and support for the promotion of sustainable development in the region. The amended Convention applies many of the concepts embodied in the instruments adopted by the 1992 Rio Conference such as sustainable development, the precautionary principle, integrated coastal zone management, the use of best available techniques and best environmental practices, as well as promoting environmentally sound technology, including clean production technologies.

UNEP/MAP is recognized as a unique regional environmental legal framework and policy development process. As the guardian of the Barcelona Convention it coordinates the implementation of the Convention and related protocols. Its historical role in the Mediterranean is well recognized and respected both by the Parties and other key players in the region. It is the key environmental governance structure in the Mediterranean, with a longstanding pollution monitoring programme, a network of focal points in partner countries and a diversified network of regional activity centers that offer their expertise to the implementation of the Convention and its Protocols in the Mediterranean countries.

The 21 countries bordering the Mediterranean Sea and the European Union (EU) are the Contracting Parties (CPs) to the Barcelona Convention. They decide on MAP strategies, programmes and budget at biannual Ministerial meetings. A Coordinating Unit, based in Athens, performs legal and representational functions, facilitates dialogue and coordinates MAP's Programme of Work. Six technical Regional Activity Centers and a programme, so-called MAP components, assist Mediterranean countries in fulfilling their commitments under the Convention and the Protocols: MEDPOL, Greece, is responsible for marine pollution assessment and control; REMPEC, Malta, for Marine Pollution Emergency Response; SPA/RAC, Tunisia, for Biodiversity and Protected Areas; PAP/RAC, Croatia, for the promotion of Integrated Coastal Zone Management; BP/RAC, France, for prospective analyses of environment and sustainable development; CP/RAC, Spain, for Sustainable Consumption and Production; and INFO/RAC, Italy, for Environmental Information Systems. The Contracting parties defined the mandates of the Components by a decision adopted at their 16th Meeting in Marrakesh (2009).

UNEP/MAP is primarily financed by the Contracting Parties through assessed contributions to the Mediterranean Trust Fund (MTF). Other sources of funding include voluntary contributions from the European Union and its Contracting Parties, UN organizations, the GEF and other ad hoc donors.

In 2008 the Contracting Parties launched a Governance reform with a view to: strengthen its ability to ensure implementation of the Barcelona Convention and the Protocols; improve effectiveness of measures taken in this regard; ensure all UNEP/MAP components operate as an integral part of the UNEP/MAP – Barcelona Convention and their work is entirely focused on implementing the Convention and the Protocols; ensure Contracting Parties play a full and active role in the MAP system; properly target dissemination of information to enhance implementation effectiveness and political visibility; and, be streamlined for effectiveness. While a first wave of implementation measures has been undertaken the overall governance objectives remains valid and requires further measures some of which will be the result of the Functional Review.

ANNEX VI
Status of contributions as at 31 May 2012

**TRUST FUND FOR THE PROTECTION OF THE MEDITERRANEAN SEA
AGAINST POLLUTION (ME)
Status of contributions as at 15 June 2012
(Expressed in Euro)**

Country	Unpaid Pledges for 2011 and Prior years	Pledges for 2012	Collections in 2012 for 2012	Unpaid Pledges for 2012
	EUR	EUR	EUR	
Albania	0	3,877	3,877	0
Algeria	0	58,163	0	58,163
Bosnia & Herzegovina	0	16,619	0	16,619
Croatia	0	53,730	53,730	0
Cyprus	0	7,755	7,755	0
Egypt	0	27,143	27,143	0
European Union	0	138,483	138,483	0
France	0	2,103,262	2,103,262	0
Greece	155,653	155,653	0	155,653
Israel	0	81,427	81,427	0
Italy	0	1,737,670	1,532,094	205,576
Lebanon	7,946	3,877	0	3,877
Libyan Arab Jamahiriya	468,131	109,124	0	109,124
Malta	0	3,877	3,877	0
Monaco	0	3,877	3,877	0
Montenegro	0	1,294	1,277	18
Morocco	242	15,511	0	15,511
Slovenia	0	37,113	37,113	0
Spain	0	830,337	0	830,337
Syrian Arab Republic	14,913	15,511	0	15,511
Tunisia	0	11,632	0	11,632
Turkey	0	124,634	124,634	0
T O T A L	646,884	5,540,569	4,118,549	1,422,021
Additional Contributions				
European Commission	0	598,569	0	598,569
Host Country	440,793	280,800	0	280,800
Grand Total	1,087,677	6,419,938	4,118,549	2,301,390

ANNEX VII

Overview of Income and Expenditures (as at 30 April 2012)

1. Overview of Income and Expenditures (as at 30 April 2012)

All amounts in €

A. Income*	<i>Approved 2012</i>	<i>Approved 2013</i>	<i>Total 2012-2013</i>	<i>Actual 2012</i>	<i>Actual 2013</i>	<i>Total 2012-2013</i>
Expected Ordinary Income						
MTF Ordinary Contributions	5,540,571	5,540,571	11,081,142	2,474,008	0	2,474,008
EU Voluntary Contribution	598,569	598,569	1,197,138	0	0	0
Greek Host Government Contribution	280,800	280,800	561,600	0	0	0
TOTAL of Expected Ordinary Income	6,419,940	6,419,940	12,839,880	2,474,008	0	2,474,008
B. Commitments	<i>Approved 2012</i>	<i>Approved 2013</i>	<i>Total 2012-2013</i>	<i>Actual 2012</i>	<i>Actual 2013</i>	<i>Total 2012-2013</i>
Activities	1,552,138	1,841,596	3,393,734	22,872	0	22,872
Post	3,034,960	3,136,409	6,171,369	885,852	0	885,852
Other Administrative Costs	679,771	707,057	1,386,828	301,644	0	301,644
Programme Support Costs	606,346	660,711	1,267,057	129,511	0	129,511
TOTAL Regular Commitments	5,873,215	6,345,773	12,218,988	1,339,879	0	1,339,879
Difference between Income and Expenditures	546,725	74,167	620,892	1,134,129	0	1,134,129

2. Summary of Activities and Administrative Costs by Component (Regular Commitments - MTF/EU vol./CAL)

(in €)	Approved Budget			Actual Expenditures (as at 30 April 2012)		
	2012	2013	Total 2012-2013	2012	2013	Total 2012- 2013
COORDINATING UNIT						
TOTAL ACTIVITIES	340,685	572,472	913,157	15,191	0	15,191
POST	779,092	784,708	1,563,800	221,090	0	221,090
OTHER ADMINISTRATIVE COSTS	309,107	305,838	614,945	218,062	0	218,062
TOTAL	1,428,84	1,663,08	3,091,902	454,343	0	454,343
MEDPOL AND COOPERATING AGENCIES						
TOTAL ACTIVITIES	546,000	575,000	1,121,000	0	0	0
POST	578,183	680,866	1,259,049	146,458	0	146,458
OTHER ADMINISTRATIVE COSTS	30,000	35,000	65,000	7,709	0	7,709
TOTAL	1,154,183	1,290,866	2,445,049	154,167	0	154,167
REGIONAL MARINE POLLUTION EMERGENCY RESPONSE CENTRE (REMPEC)						
TOTAL ACTIVITIES	71,225	80,000	151,225	0	0	0
POST	568,181	561,331	1,129,512	178,553	0	178,553
OTHER ADMINISTRATIVE COSTS	75,012	97,500	172,512	13,174	0	13,174
TOTAL	714,418	738,831	1,453,249	191,727	0	191,727
BLUE PLAN REGIONAL ACTIVITY CENTRE (BP/RAC)						
TOTAL ACTIVITIES	115,875	161,955	277,830	1,436	0	1,436
POST	399,348	399,348	798,696	127,751	0	127,751
OTHER ADMINISTRATIVE COSTS	105,078	105,078	210,156	27,878	0	27,878
TOTAL	620,301	666,381	1,286,682	157,065	0	157,065
PRIORITY ACTIONS PROGRAMME REGIONAL ACTIVITY CENTRE (PAP/RAC)						
TOTAL ACTIVITIES	167,000	156,000	323,000	2,245	0	2,245
POST	411,812	411,812	823,624	127,535	0	127,535
OTHER ADMINISTRATIVE COSTS	70,745	76,498	147,243	19,163	0	19,163
TOTAL	649,557	644,310	1,293,867	148,943	0	148,943

SPECIALLY PROTECTED AREAS REGIONAL ACTIVITY CENTRE (SPA/RAC)						
TOTAL ACTIVITIES	230,795	271,167	501,962	4,000	0	4,000
POST	298,344	298,344	596,688	84,465	0	84,465
OTHER ADMINISTRATIVE COSTS	89,829	87,143	176,972	15,658	0	15,658
TOTAL	618,968	656,654	1,275,622	104,123	0	104,123
INFO/RAC						
TOTAL ACTIVITIES	80,558	25,000	105,558	0	0	0
POST	0	0	0	0	0	0
OTHER ADMINISTRATIVE COSTS	0	0	0	0	0	0
TOTAL	80,558	25,000	105,558	0	0	0
CLEANER PRODUCTION REGIONAL ACTIVITY CENTRE (CP/RAC)						
TOTAL ACTIVITIES	0	2	2	0	0	0
POST	0	0	0	0	0	0
OTHER ADMINISTRATIVE COSTS	0	0	0	0	0	0
TOTAL	0	2	2	0	0	0
PROGRAMME SUPPORT COSTS	606,346	660,711	1,267,057	129,511		129,511
GRAND TOTAL	5,873,215	6,345,773	12,218,988	1,339,879	0	1,339,879

<p>3. STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVE AND FUND BALANCE (MTF) FOR THE YEARS 2009-2011 (IN USD)</p>

	2009	2010	2011
INCOME			
Counterpart contributions	7,085,127	7,065,190	7,610,153
Miscellaneous income		1,347	26,448
TOTAL INCOME	7,085,127	7,066,537	7,636,601
EXPENDITURE			
Direct Expenditures	11,116,028	5,290,188	7,631,990
Programme Support Costs	1,478,336	672,880	236,228
TOTAL EXPENDITURE	12,594,364	5,963,068	7,868,218
Prior period adjustment	0	0	945,806
EXCESS OF INCOME OVER EXPENDITURE	(5,509,237)	1,103,469	714,189
Transfers from Other Funds	0	1,013,191	0
FUND BALANCE AT THE BEGINNING OF PERIOD	1,001,425	(4,507,812)	(2,391,152)
FUND BALANCE AT THE END OF PERIOD	(4,507,812)	(2,391,152)	(1,676,963)

INTERFUND BORROWING	(5,392,329)	(3,556,381)	(4,192,367)
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(1) The value of the contributions in USD varies between 2009 and 2011 due to the different exchange rates applied each year.

4. Revised Annex III of Budget Decision (IG. 20/6)
MTF fund balance projection 2010-2017

<i>in millions EUR</i>	<i>Actual 2010- 2011</i>	<i>2012-2013</i>	<i>2014- 2015</i>	<i>2016- 2017</i>
MTF fund balance brought forward	-3.0	-1.3	-0.5	0.0
Income				
Ordinary contributions excluding PSC	9.8	9.8	9.8	9.8
PSC	1.3	1.3	1.3	1.3
Total Income	11.1	11.1	11.1	11.1
Expenditures				
Expenditures	10.9	10.6	10.6	10.6
Total Expenditures	10.9	10.6	10.6	10.6
Difference between Income and Expenditures	0.2	0.5	0.5	0.5
Other items				
UNEP Secretariat Contribution	0.7			
Reallocation of charges to QML	0.7			
Interagency transfers	0.5			
Retranslation of opening deficit at Dec 2011 rate (1)	-0.4			
Additional savings		0.2		
MTF fund balance carried forward	-1.3	-0.5	0.0	0.5
Operating reserve			0.0	0.5

Footnotes

(1) The official currency of the UN is the USD. The MTF fund balance projection in EUR is an estimation based on various assumptions. The final figures may be different subject to exchange rate fluctuations.

(2): Deficit amount of 4,5m USD as at 31/12/2009 is:

- a) 3.0 m EUR when Dec 2009 rate is applied (0.664)
- b) 3.4 m EUR when Dec 2011 rate is applied (0.750)

ANNEX VIII

Draft Financial Rules for the Barcelona Convention

Draft Financial Rules for the Barcelona Convention

The Barcelona Convention (BC) Secretariat and funds are subject to the UN/UNEP Financial Regulations and Rules; in view of the specificity of the Convention, these Financial Regulations and Rules will be supplemented by special financial procedures (termed as “rules” in the Convention and the COP decisions), which will be applicable to the Convention to facilitate implementation.

The financial regulations and rules of the UN will be changed, adapting to new UN accounting system (aligned with International Public Service Accounting Standards, IPSAS) that will become effective 1 January 2014. The new rules and regulations will be submitted to the UN General Assembly in 2012, and have not yet been formally approved. Drafting new procedures at a time when the overall regulations and rules are about to be modified substantially and are not yet finalized, would be premature.

UNEP Headquarters' suggestion is therefore to discuss the main financial features specifically required for MAP, that could be included in the future MAP financial procedures, as described below, and collect the Bureau's inputs on other elements that the Parties would propose to include in them. Once the Member States have approved the new UN Rules and regulations, presumably before year end, UNEP Headquarters would engage in the drafting of the text itself.

The BC/MAP financial procedures may include:

- **Budget:** The financial period will be biennial until 1.1.14, after which it will be annual, following the adoption of IPSAS by the UN Secretariat and UNEP; the budgeting period can however be biennial (starting on even years, in sync with UNEP). The currencies for budget estimates and expenditure reports to the COP shall be Euros. The books of account and the audited financial statements will however be in US dollars as per UN Financial Regulations and Rules.
- **Funds:** The rules will provide for the authority to incur commitments, make payments, and regulate the transfer of budget allocations within cost categories (RACs).
- **Trust Funds:** the establishment of the General Trust fund and any other trust fund as may be required. The rules will also cover the working capital reserve, and the closure of trust funds, and other sources, funds and resources for the Convention.
- **Contributions:** the rules will also provide for the allocation of contributions expected, the receipt of assessed and other contributions, collection of arrears, the use of the contributions and acknowledgement of receipt.
- **Accounts and Audit:** provision of statements of accounts to the Conference of Parties.
- **Administrative Support Costs** and their use by the Secretariats of UNEP and the Convention.

ANNEX IX

Consultancy Reporting Table

Consultancy Reporting Table

Consultancy costs 1/1/2012 - 30/4/2012		
Component	Description	Consultancy costs
COORDINATING UNIT	Mediterranean Trust Fund	0
	EU Voluntary contribution	0
	Other funding*	38,260
	Sub-total	38,260
MEDPOL	Mediterranean Trust Fund	0
	EU Voluntary contribution	0
	Other funding*	30,339
	Sub-total	30,339
BLUE PLAN	Mediterranean Trust Fund	0
	EU Voluntary contribution	0
	Other funding**	3,000
	Sub-total	3,000
PAP/RAC	Mediterranean Trust Fund	0
	EU Voluntary contribution	0
	Other funding*	136,500
	Sub-total	136,500
REMPEC	Mediterranean Trust Fund	0
	EU Voluntary contribution	0
	Other funding**	0
	Sub-total	0
SPA/RAC	Mediterranean Trust Fund	0
	EU Voluntary contribution	0
	Other funding	0
	Sub-total	0
CP/RAC	Mediterranean Trust Fund	0
	EU Voluntary contribution	0
	Other funding**	44,000
	Sub-total	44,000
	Grand Total (in EUR)	252,099

*GEF LME funding

**External Funding

ANNEX X

Progress on the Achievement of Savings

MTF + CAL				
Item of expenditure	Historical Cost (baseline)	Proposed measures	Potential saving	Target for 2012
Translations	80,000 EUR (average annual cost)	<ul style="list-style-type: none"> To target for a 10% reduction in the number of pages of the pre-session and post-session reports of the meetings (average cost per page is 68 EUR) 	10 % reduction 8,000 EUR	EUR 72,000
Staff Travel	100,000 EUR (2011 cost, CU, MEDPOL and GEF Project Staff)	<ul style="list-style-type: none"> To buy air-tickets at least 2 weeks in advance of travel To promote the idea of minimum number of UNEP/MAP staff travelling and minimum stay at meetings in order to reduce the DSA costs 	15% reduction 15,000 EUR	85,000 EUR
Office supplies	7,000 EUR (average annual cost)	<ul style="list-style-type: none"> To achieve more economic purchases To promote greening practices in the use of paper 	71 % reduction 5,000 EUR	2,000 EUR
Subscriptions	6,000 EUR (2011 cost)	<ul style="list-style-type: none"> To abolish subscriptions 	66.6% reduction 4,000 EUR	2,000 EUR
Computer software and hardware	15,000 EUR (2011 cost)	<ul style="list-style-type: none"> To drastically reduce expenditures according to available budgets 	40% reduction 6,000 EUR	9,000 EUR
Postage	6,000 EUR (average annual cost)	<ul style="list-style-type: none"> To promote the use of simple or registered post instead of courier services 	33.3% reduction 2,000 EUR	4,000 EUR

Telecommunication	60,000 EUR (2011 cost)	<ul style="list-style-type: none"> • To abolish obsolete and less necessary landlines paid to OTE (National Telecommunication Company) • To promote cheaper modes of communication (e.g. Skype) • Procurement of new supplier for landlines with cheaper rates • To rationalize the use of official mobile phones. 	17% reduction 10,000 EUR	50,000 EUR
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Footnote: The main MTF financed meetings (MCSD, MEDPOL Focal Points, MAP Focal Points) are scheduled to take place in 2013. Although the baselines, targets and indicators will be refined and communicated to the bureau at a later session, the following measures will be considered to achieve savings under the meetings' cost:

- Minimizing the number of conference staff: interpreters, translators, reporters, and typewriters
- Replace face-to-face meetings with e-Meetings where possible
- Organize back-to-back meetings whenever possible
- Revise the TORs for venue/hotel selection to include 4star hotels with necessary facilities
- Make use of government facilities free of charge when possible
- Apply reduced DSA by providing economic meals and accommodation

ANNEX XI

**Progress on the implementation of OIOS Audit recommendations
Audit of the financial performance of the UNEP Mediterranean Action Plan
(AA2010/220/05 – 6/9/2011)**

Progress on the implementation of OIOS Audit recommendations Audit of the financial performance of the UNEP Mediterranean Action Plan (AA2010/220/05 – 6/9/2011)						
Rec. no.	Rec Status	Recommendation	Criticality	Client's Comments History	OIOS's Comments History	Est. Target Date
003	P	(3) The Executive Director of UNEP should determine accountability of UNEP/MAP Administrative and Fund Management Officers for the preparation of the inappropriate budget proposals and the UNEP/MAP Coordinators for inability to detect the inappropriateness of budget proposals that were presented to Contracting Parties for the budget period 1994 to 2011.		A panel of qualified UN staff is being constituted by the Executive Director to establish individual responsibilities of UNEP/UNON staff for the preparation of the inappropriate budget proposals, and allotments of funds and the UNEP/MAP coordinators for inability to detect the inappropriateness of budget proposals that were presented to Contracting Parties for the budget period 1994 to 2011.	Recommendation 3 remains open pending receipt of the Executive Director's advice on outcome of the review by the panel and further corrective action to be taken.	31/12/2012
006	P	(6) The Executive Director of UNEP should determine accountability of UNEP staff for the creation of inappropriate allotments to fund MAP activities and for inability to detect the inappropriateness of allotments.	Critical	A panel of qualified UN staff is being constituted by the Executive Director to establish individual accountability of UNEP staff for the creation of inappropriate budget proposals and allotments to fund MAP activities and for inability to detect the inappropriateness of allotments. (see 003 above)	Recommendation 6 remains open pending receipt of the Executive Director's advice on outcome of the review by the panel and further corrective action to be taken.	31/12/2012
007	P	(7) The Executive Director of UNEP should clearly define and		An informal working group has already been formed composed of	Recommendation 7 remains open pending	31/12/2012

		agree with the Director-General of UNON what services, and related responsibility, UNON should be providing to UNEP Offices Away from Headquarters (OAH), such as UNEP/MAP in this case, in order to enhance accountability.		UNEP and UNON senior officials to look into the different issues requiring clarification such as definition of delegation of authority and responsibility between UNEP and UNON on financial and all other administrative matters, including Human Resources. This group was formed with the beginning of 2012, and will provide inputs to a Department of Management mission to UNON in Nairobi tentatively in February 2012.	clarification of what services and related accountability, UNON should be providing to UNEP Offices Away from Headquarters.	
009	P	(9) The Executive Director of UNEP should ensure that UNEP undertakes a full review of its actual outstanding advances for each Regional Activity Centre and take corrective actions on inaccuracies.	Critical	Approximately 50% of the outstanding receivables over 24 months were closed based on the corrective actions proposed in December 2011 being acted upon by UNON Accounts in January 2012. Analysis of the remaining outstanding receivables has also been completed by February 2012, reviewed by OfO Finance and UNON Accounts between March and May 2012, and the proposed corrective actions are to be completed by July 2012.	Recommendation 9 remains open pending confirmation that the analysis of outstanding receivables has been completed.	31/12/2012

Audit of the financial performance of the UNEP Mediterranean Action Plan 2009

		<p>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.</p>		<p>UNEP communicated to the relevant RAC that UNEP letter head cannot be used for the issuance on non-UNEP personnel. There is a need to formulate a UNEP-wide policy on use of UNEP letter heads by non-UNEP personnel employed by the Regional Activity Centers employed by the Regional Seas Programmes. Office for Operations is in the process of issuing further guidance in terms of use of the UNEP logo and letterhead as well as on checking compliance with the guidance by UNEP's partners</p>	<p>Recommendation 8 remains open pending receipt of guidance on the use the UNEP logo on letter heads for employment of staff members.</p>	<p>30/09/2012</p>
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