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IMPACT OF THE BUDGET FREEZE

EXECUTIVE SUMMARY

1. This report by UNEP/MAP analyzes the impact of the current budget freeze on the Mediterranean Trust Fund (MTF). Furthermore, it proposes recommendations aimed at increasing the level of contributions of the Contracting Parties to more appropriate levels in accordance to the increased levels of commitments and activities of MAP, and recommends following an integrated approach to financing all MAP components such as Regional Activity Centres and ongoing projects.

2. The protection of the marine environment in the Mediterranean region is clearly high on the political and socio-economic agenda of countries. Strengthening the financial position of MAP will ensure that the organization continues to play a significant role in shaping the regional agenda in conservation and sustainable use of the marine resources, thereby adding value to Contracting Parties.

3. The contributions by the Contracting Parties to the MTF have not increased for the biennium 2004-2005, 2006-2007 and 2008-2009. Total budget allocations by the Contracting Parties to the MTF stand at an average of EUR 5,551,708 per year.

4. There are new demands being placed on MAP's mandate as new challenges, global and regional issues emerge. These demands require that MAP continue to have a solid financial position in order to remain a valuable institution to its Contracting Parties. As a consequence of the freeze in contribution levels by the Contracting Parties since 2004, MAP is faced with growing challenges in meeting its current and future obligations. For instance, MAP is currently engaged in the following commitments:

- a) New Protocol on Integrated Coastal Zone Management in the Mediterranean (Decision IG 17/1);
- b) Implementation of SAP BIO adopted by the Contracting parties in 2003;
- c) Implementation of new legally binding measures and programmes to reduce pollution from LBS and activities;
- d) Supporting the implementation of convention and protocols through an effective reporting and compliance system;
- e) Strengthening the governance and visibility of MAP system as required of Governance paper (Decision IG 17/5);
- f) Climate change as per Almeria Declaration and the 5 year programme of MAP.

5. Utilising the average inflation rates in the economies of Contracting Parties from 2004 until 2008 it can be observed that the average inflation rate has been 3.68% annually. However, the accumulated value since 2004 is 18.40%, indicating serious erosion in the main sustainable source of funding for MAP, which is the MTF.

6. The Fund raising capabilities of MAP are evidenced by a leveraging effect of EUR 1.49 for each EUR 1 that is contributed to the MTF. However, as contributions to the MTF continue to erode there is a potential correlation that the ability of MAP to fund raise will also be affected as many fund raising efforts rely on the ability to commit cash and/or in-kind contributions to potential donors and partners.

7. MAP is capitalising on the opportunity to reform itself to be more efficient and results-oriented to the needs of its Contracting Parties. However, increased contributions would encourage greater integration and coordination in the implementation of the Programme of Work and a MAP joint approach sought by the Contracting Parties through the establishment of a "healthy and strong Mediterranean Trust Fund (MTF)" further emphasized in decision IG17/5 on the MAP Governance adopted by the Contracting Parties in Almeria, Spain (2007).

8. Similarly, UNEP is undertaking a strategy where it encourages member states to contribute their allocations to the Environment Fund instead of earmarked contributions, in order to have a focused and integrated approach towards delivering on the agreed Programme of Work 2010-2011. In this context, and also reflecting the increasing importance of the environment in the international agenda, member countries agreed to a 50% increase in budget allocations for 2010-2011 compared to 2008-2009.

9. The three main conclusions of the report are:

- a) MAP has faced new demands and activities that resulted in new obligations over the last years and its ability to respond effectively has been hindered, as these obligations have not been considered under the levels of contributions in 2004.
- b) The accumulation of factors such as untimely collection of pledges and the impact of inflation rates (nearly 20% from 2004 until 2008) further eroded MAP's operational budget and placed the MTF under stress. Therefore, the ability of MAP to undertake agreed activities has been affected.
- c) There is an economic incentive to increase the contributions to the MTF as this would be instrumental for maintaining and possibly increasing in a coordinated manner the leverage of EUR 1.49 per EUR 1 contributed to the MTF for the priorities established by the Contracting Parties.

10. The Contracting Parties may wish to consider:

- a) An increase in contributions starting in the coming biennium 2010-2011, to gradually reach the required levels of contributions to meet MAP mandate and new commitments.
- b) Request MAP to produce a resource mobilisation strategy, in consultations with Contracting Parties, would complement the 5-year priority strategy and give a solid sustainable financial position to the organization.
- c) The Contracting Parties can consider the timeliness of delivering pledged contributions to the MTF. By ensuring collection of pledges early in the year MAP can evenly spread out its workload and allow for more strategic planning amongst all its components.

I. INTRODUCTION AND BACKGROUND

11. This report by UNEP/MAP analyzes the impacts of the current budget freeze on the Mediterranean Trust Fund (MTF) as suggested by the Office of Internal Oversight Services (OIOS) of the United Nations in its Audit Report on the United Nations Environment Programme Mediterranean Action Plan (MAP) dated May 2009. Furthermore, it proposes recommendations aimed at increasing the level of contributions of the Contracting Parties to more appropriate levels in accordance to the increased levels of commitment and activities of MAP, and recommends following an integrated approach to financing all MAP components such as Regional Activity Centres and ongoing projects.

12. The report highlights the importance for MAP to have a sustainable long-term financial structure that allows the flexibility to engage in current and future commitments and demands from its Contracting Parties.

13. The Mediterranean Trust Fund (MTF) constitutes the main source of funding for MAP. Since its creation in 1979, the MTF supports the core administrative and operational costs, as well as activities of MAP. In accordance with the decisions of the Contracting Parties since 2004, the average contributions to this trust fund have remained at the same level (EUR 5,551,708 per year) as a consequence of the change in the contributions from US dollar to Euro that resulted in an increase of 25% in the value of the countries' contribution to MTF. Unfortunately the freeze was not accompanied by the establishment of a mechanism for keeping under review shortfalls or surpluses and their impact on the POW. In addition, there was no consideration of a comprehensive fund raising strategy to address this shortfall.

14. MAP has incurred in new commitments as a consequence of Contracting Parties mandates to respond to emerging issues. At the same time, there has been tangible erosion in the real value of MTF contributions mainly due to inflation, which has an accumulated value of 18.40% in the period from 2004 – 2008. Additionally, unpaid pledges by Contracting Parties are also affecting MAP's timely implementation of agreed activities.

15. During the period 2004 – 2008, a combination of late deposited contributions and the cumulative inflation effects led MAP to significantly use its balance (which acts as an operational reserve¹) for the implementation of regular activities under the approved Programme of Work. Thus, the balance was temporarily partially depleted.

16. At the moment, MAP is taking measures to become more efficient in its operations in order to respond effectively to priority areas and emerging themes as mandated by the Contracting Parties. Nevertheless, gains made through efficiency improvements will not be enough to comply with growing responsibilities under new mandates received by the Contracting Parties. Adequate additional financial support is needed to also take advantage of existing and new funding opportunities for the protection of the Mediterranean Coastal and Sea areas.

Summary table of contributions

Biennium Ordinary Contributions by the Contracting Parties to MTF (in €)		
2004-2005	2006-2007	2008-2009
11,114,554	11,114,554	11,081,142

Average Yearly Allocation by the Contracting Parties to the MTF (in €)
5,551,708

II. ANALYSIS

17. The report has identified key drivers that might affect the future financial sustainability of MAP. These drivers are the impact of inflation rates on operational costs and the untimely collection of pledges from Contracting Parties that all together led MAP to partially and temporarily deplete its balance and also influenced its ability to deliver on new commitments. Furthermore, the report identifies that there is an economic incentive in leveraging the

¹ In accordance to the United Nation's implementation procedures for operating reserves, the trust fund operating reserve is defined as "a sum set aside within the cash resources of the trust fund to cover any delays in payments of pledged contributions and to be used to meet the final expenditures of the trust fund activities, including liquidating liabilities. The trust fund operating reserve is calculated as a percentage of the estimated annual expenditures." The applicable percentages are normally established at 15% for technical cooperation trust funds as established by ST/SGB/188 and ST/AI/285.

contributions by Contracting Parties to the MTF as it constitutes the main source of funding of MAP and its components.

Levels of contributions by Contracting Parties to the Mediterranean Trust Fund (Annex I)

18. The ordinary contributions to the Mediterranean Trust Fund have remained unchanged for the last three bienniums and its distribution amongst Contracting Parties are based on the existing United Nations scale of assessment. Since 2004, the average contributions to this trust fund by Contracting Parties have remained at the same level (EUR 5,551,708 per year).

New commitments

19. There are new demands being placed on MAP's mandate as new challenges emerge. In order for these demands to be met and for MAP to remain a valuable institution, there needs to be a solid financial position. MAP is currently engaged in the following new commitments:

20. MAP is currently engaged in the following new commitments:

- a) Implementing the new Protocol on Integrated Coastal Zone Management in the Mediterranean (Decision IG 17/1, 2008);
- b) Implementing SAP BIO adopted by the Contracting parties in 2003
- c) Implementing new legally binding measures and programmes to reduce pollution from LBS and activities
- d) Supporting the implementation of convention and protocols through an effective reporting and compliance system (Decision IG 17/2 and IG 17/3, 2008);
- e) Strengthening the governance and visibility of MAP system as required of Governance paper (Decision IG 17/5, 2008);
- f) Climate change as per Almeria Declaration, 2008 and the 5 year programme of MAP, 2009

Inflation rates in Contracting Parties (Annex II)

21. Utilising the average inflation rates in the economies of Contracting Parties from 2004 until 2008 it can be observed that the average inflation rate has been 3.65% annually. However, the accumulated value since 2004 is 18.40%, indicating serious erosion in the main sustainable source of funding for MAP, which is the MTF.

Collection of contributions (Annex III)

22. It has been observed that some Contracting Parties have paid their contributions late in the year, which creates a gap of a few months from the moment of pledge and invoice until the time when countries make the contributions effective. In some cases pledges that should have been collected early in the year were received in November or even December. This delay in the effectual of the payments affects MAP's cash flow and ability to properly plan and implement its activities throughout the year as agreed by the Conference of Parties.

23. In recent years, there is a trend by MAP to collect unpaid contributions as evidence by a decline in arrears from 2006 to 2008. As of August 2009 nearly 15% of the pledged contributions to the MTF by Contracting Parties have not yet been made effective.

24. MAP remains grateful to the contributions by the Contracting Parties. Furthermore, it encourages the timely arrival of pledges as delays affects the ability to fulfill commitments

currently under way and potential future commitments with important partners at the global, regional and national level.

Leverage effect of MTF contributions (Annex IV)

25. Ordinary contributions by the Contracting Parties to the MTF constitute the regular budget of MAP. They constitute the most important factor in the process of ensuring adequate, stable and predictable financial resources for the implementation of the biennial programme of work. Ordinary contributions to the MTF have been stable for the last 30 years and today constitute 66.9% of total financial resources of MAP. However, this percentage is dependent on the timely contributions made to the MTF by Contracting Parties.

26. Additionally, MTF contributions play a pivotal role in enhancing the fund raising capabilities of MAP as many fund raising efforts rely on the ability to commit cash and/or in-kind contributions to potential donors and partners. For example, the GEF project "Strategic Partnership for the Mediterranean Large Marine Ecosystem" requires MAP counterpart contribution to be 2.75 million Euros over the period of 5 years starting in 2009.

27. At the present time, MAP is able to leverage EUR 1.49 for each EUR 1 that is contributed to the MTF. However, as the contributions to the MTF continue to erode due to inflation levels there is a potential correlation that the ability of MAP to fund raise will also be affected. Therefore the ability to continue mobilizing additional resources for MAP priorities is directly dependent in the availability of MTF counterpart funds.

28. The individual leverage of some MAP components is much higher than the overall leverage of MAP. However, the capacity of MAP to engage in new priority areas in a coordinated manner, as stipulated by the Contracting Parties could be hampered if such efforts take place in the absence of a medium-term MAP priorities and a joint resource mobilization plan.

Levels of Expenditure (Annex V)

29. It is noteworthy that MAP consistently shows high rates of expenditures in the delivery of activities agreed at the Conference of Parties. While a positive sign, it also prevents MAP from having the financial flexibility to assume additional commitments and the possibility of engaging in new activities on emerging issues as required by Contracting Parties.

30. In the biennium 2004-2005 MAP showed a rate of expenditure of 98.4%. Taking into account that in 2004 there was an increase in contributions of 25% by the Contracting Parties due to the change from US Dollars to Euro, it is perceived that this level of expenditures is very high. In monetary terms, while the actual allocation for the biennium 2004-2005 stood at USD 19,016,554, MAP's expenditure was USD 18,711,944.

31. In the biennium 2006-2007 MAP achieved higher rates of implementation than the previous biennium, reaching a 104% expenditure rate. This is explained by the usage of the balance and the voluntary contributions from Contracting Parties during the biennium. Final expenditure rates for the biennium 2008-2009 will be available in April 2010.

III. GENERAL CONCLUSIONS

32. There is an increased political commitment from countries to preserve the Mediterranean Sea area and its coastal zone. The preservation of the marine and coastal environment in the Mediterranean region has a high socio-economic value to countries. Strengthening the financial position of MAP will ensure that the organization continues to

play a significant role in shaping the agenda of the Mediterranean Sea and the conservation of its coastal ecosystems, thereby enabling MAP to better comply with its new mandates and add value to Contracting Parties.

33. The single most identifiable driver in the erosion of the MTF value has been the impact of inflation levels in the economies of Contracting Parties. From 2004 until 2008 the average inflation rate has been 3.65% annually with an accumulated value of 18.40%. This means that on average there is a nearly a 20% cost increase carrying out the same activities in 2008 as those done in 2004.

34. MAP has been able to leverage funds contributed to the MTF from different agencies such as the Global Environment Facility, European Commission, European Investment Bank and others. However, the capacities of the MTF to attract new potential projects through leveraging cash and/or in-kind contributions have now reached a critical point. The MTF is the main source of funding to MAP and a vehicle for leveraging funds, therefore sustainability in the long-term rests on the capacities by Contracting Parties to provide a solid financial composition.

35. In order to consistently monitor and assess the status of contribution and impact on the implementation of the Programme of Work and adequate levels of reserve, MAP should establish a monitoring mechanism to provide early information to Contracting Parties.

36. The coordinating mechanism of MAP components needs to be enhanced. It is understood that steps have been taken in this direction through the creation of the Executive Coordinating Panel, which is conformed by Coordinating Unit and all Regional Activity Centres. However, there is the case for further coordination through a common long-term funding strategy based on increasing the MTF core funding and developing and implementing a joint resource mobilisation strategy.

RECOMMENDATIONS

37. Recommendation 1. The Contracting Parties may wish to consider an increase in contributions starting in the coming biennium 2010-2011, to gradually reach the required levels of contributions to meet their mandates and new commitments. This measure will allow MAP to continue to engage in activities of interest and benefit to Contracting Parties.

38. Recommendation 2. The Contracting Parties may wish to request MAP to initiate a resource mobilisation strategy in consultations with Contracting Parties to fund the 5-year indicative plan thus ensuring its viability and implementation. Similarly, MAP should also establish a mechanism to periodically inform the Contracting Parties on the status of contributions and impact on the implementation of the Programme of Work and the adequacy of the levels of the reserve.

39. Recommendation 3. The Contracting Parties may consider the timeliness of delivering pledged contributions to the MTF. By ensuring collection of pledges early in the year MAP can evenly spread out its workload and allow for more strategic planning amongst all its components.

ANNEX I

CONTRIBUTIONS FOR 2008-2009

Contracting Parties	%	Ordinary Contributions to MTF for 2007 (in €)	Ordinary Contributions to MTF for 2008 (in €)	Ordinary Contributions to MTF for 2009 (in €)
Albania	0.07	3,877	3,877	3,877
Algeria	1.05	58,163	58,163	58,163
Bosnia and Herzegovina	0.30	16,619	16,619	16,619
Croatia	0.97	53,730	53,730	53,730
Cyprus	0.14	7,755	7,755	7,755
EC	2.50	138,483	138,483	138,483
Egypt	0.49	27,143	27,143	27,143
France	37.96	2,103,262	2,103,262	2,103,262
Greece	2.81	155,653	155,653	155,653
Israel	1.47	81,427	81,427	81,427
Italy	31.36	1,737,670	1,737,670	1,737,670
Lebanon	0.07	3,877	3,877	3,877
Libya	1.97	109,124	109,124	109,124
Malta	0.07	3,877	3,877	3,877
Monaco	0.07	3,877	3,877	3,877
Morocco	0.28	15,511	15,511	15,511
Montenegro	0.02	18,000	1,294	1,294
Slovenia	0.67	37,113	37,113	37,113
Spain	14.99	830,337	830,337	830,337
Syria	0.28	15,511	15,511	15,511
Tunisia	0.21	11,632	11,632	11,632
Turkey	2.25	124,634	124,634	124,634
Sub-total	100.00	5,557,277	5,540,571	5,540,571
Host Country(Greece)		440,000	440,000	440,000
UNEP Environment Fund		16,580	15,000	15,000
TOTAL CONTRIBUTIONS		6,013,857	5,995,571	5,995,571

ANNEX II

INFLATION RATES IN MEMBER COUNTRIES TO THE BARCELONA CONVENTION (2004-2008)

Country	2004	2005	2006	2007	2008
Albania	2.869	2.363	2.368	2.9	4.2
Algeria	3.562	1.6	2.5	3.7	4.3
Bosnia and Herzegovina	0.282	3.582	7.474	1.334	4.8
Croatia	2.03	3.339	3.207	2.879	5.542
Cyprus	1.896	2.042	2.245	2.165	4
Egypt	8.106	8.802	4.198	10.952	8.814
France	2.342	1.9	1.912	1.607	2.503
Greece	3.027	3.485	3.313	2.989	3.5
Israel	-0.414	1.329	2.107	0.516	2.571
Italy	2.274	2.206	2.217	2.038	2.47
Lebanon	1.672	-0.718	5.57	4.057	5.501
Libyan Arab Jamahiriya	-2.162	1.952	3.382	6.651	8
Malta	2.725	2.528	2.579	0.696	3.4
Monaco	-	-	-	-	-
Montenegro	4.300	1.800	2.100	7.700	-
Morocco	1.493	0.983	3.285	2.041	2
Slovenia	3.609	2.459	2.5	3.61	3.954
Spain	3.053	3.382	3.563	2.839	3.994
Syrian Arab Republic	4.433	7.24	10.575	7.001	7
Tunisia	3.622	2.014	4.504	3.147	4.7
Turkey	8.598	8.179	9.597	8.756	7.54
Average in the Region	2.8658	3.0233	3.9598	3.8789	4.6731
Total Average	18.40%				

Source: IMF

ANNEX III

COLLECTED CONTRIBUTIONS IN 2008 and PLEDGES FOR 2009 (August)

Country	Unpaid pledges as at December 2008	Pledges for 2009	Collections in 2009 for prior years		Collections in 2009 for 2009		Unpaid Pledges for 2009	Unpaid Pledges for 2009 and Prior years
	EUR	EUR	EUR		EUR			EUR
Albania	0	3,877	0		0		3,877	3,877
Algeria	236,610	58,163	0		0		58,163	294,773
Bosnia & Herzegovina	0	16,619	0		16,619		0	0
Croatia	0	53,730	0		53,730		0	0
Cyprus	7,755	7,755	0		0		7,755	15,510
Egypt	132	27,143	132		27,143		0	(0)
European Union	0	138,483	0		138,483		0	0
France	0	2,103,262	0		2,103,262		0	0
Greece	0	155,653	0		155,653		0	0
Israel	81,562	81,427	81,562		0		81,427	81,427
Italy	0	1,737,670	0		1,737,670		0	0
Lebanon	11,395	3,877	7,327		0		3,877	7,946
Libyan Arab Jamahiriya	339,883	109,124	0		0		109,124	449,007
Malta	3,877	3,877	0		0		3,877	7,754
Monaco	0	3,877	0		3,877		0	0
Montenegro	0	1,294	0		1,294		0	0
Morocco	31,022	15,511	31,022	2/	12,995		2,516	2,516
Slovenia	0	37,113	0		37,113		0	0
Spain	0	830,337	0		830,337		0	0
Syrian Arab Republic	15,511	15,511	15,511	3/	15,969	4/	-458	(458)
Tunisia	0	11,632	0		11,632		0	0
Turkey	0	124,634	0		124,634		0	0
T O T A L	727,749	5,540,569	135,553		5,270,411		270,158	862,353

Additional Contributions

European Commission	0	598,568	0		598,569		0	(1)
Host Country *	604,701	440,000	0		301,523		0	743,178
UNEP Env. Fund	0	15,000	0	1/	15,000		0	0
Grand Total	1,332,449	6,594,137	135,553		6,185,503		270,158	1,605,530

1/ Interfund transfer

2/ Includes CHF 20,635.13

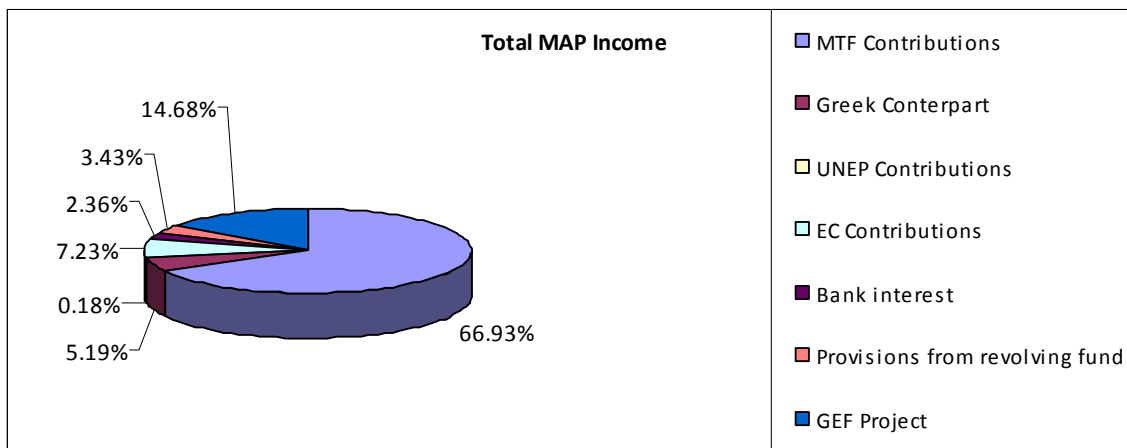
3/ USD 21,715.40

4/ CHF 22,965.47 - Converted at IMIS rate of exchange - Memo No. 34/2009

ANNEX IV
SOURCES OF INCOME FOR MAP

A. Income	2008	2009
MTF Contributions	5,557,277	5,557,277
Greek Counterpart Contribution	440,000	440,000
UNEP Counterpart Contribution	15,000	15,000
Voluntary Contribution of EC	598,568	598,568
Unpaid Pledges for 2006/07 and prior years (average estimate)	1,500,000	
Bank Interest 2008-2009 (estimate)	390,000	
Provisions from the revolving fund	568,092	
Total expected income	15,679,782	

*GEF Counterpart contribution is Euro 2,430,456 for the 2008-2009 biennium



$$\text{MTF \% of Total Income} = \frac{\text{MTF Contributions}}{\text{Total expected income} + \text{GEF contributions} - \text{Unpaid pledges for previous bienniums}} * 100$$

ANNEX V

LEVELS OF EXPENDITURE 2004-2005

**SUMMARY TABLE OF AMOUNTS APPROVED BY THE
CONTRACTING PARTIES, AMOUNTS ALLOCATED
AND FINAL EXPENDITURES
FOR 2004-2005 BIENNIUM**

Projects	Approved by the CPs for 2006-2007 (in USD)	Allocated for 2006- 2007 (in USD)**	Expenditures 2006- 2007 (in USD)	Rate of Expenditure
COORDINATING UNIT, Athens, Greece (including the MED POL Component)	6,773,544	8,187,218	7,954,843	97.16%
MED POL Cooperating Agencies WHO/EURO Project Office	626,715	626,715	621,662	99.19%
Regional Activity Centres: Regional Marine Pollution Emergency Response Centre of the Mediterranean Sea (REMPEC/IMO)	2,173,920	2,533,400	2,520,144	99.48%
Blue Plan Regional Activity Centre (BP/RAC)	1,872,118	1,945,490	1,940,169	99.73%
Regional Activity Centre for Priority Actions Programme (PAP/RAC)	1,857,591	1,930,395	1,920,966	99.51%
Regional Activity Centre for Specially Protected Areas (SPA/RAC)	1 648 350	1,712,948	1,707,399	99.68%
INFO/RAC	150,857	156,770	165,621	105.65%
SUB-TOTAL	15,103,095	17,092,936	16,830,804	98.47%
Programme Support Cost***	1,714,837	1,923,618	1,881,140	97.79%
GRAND TOTAL	16,817,932	19,016,554	18,711,944	98.40%

* Allocated amounts are amounts to fund the projects activities from ordinary & voluntary contributions remitted by the Contracting Parties, from transfers of unspent balances from the first to the second year of the biennium & from MEDU to the RACs for the implementation of activities.

** Allocations exceed approved amounts due to variation in exchange rates from Euro to USD

*** Programme Support Costs of 13% is charged to the MTF funds, and of 4.5% is charged to the EC voluntary Contribution funds.

LEVELS OF EXPENDITURE 2006-2007

**SUMMARY TABLE OF AMOUNTS APPROVED BY THE
CONTRACTING PARTIES, AMOUNTS ALLOCATED
AND FINAL EXPENDITURES
FOR 2006-2007 BIENNIUM**

Projects	Approved by the CPs for 2006-2007 (in USD)	Allocated for 2006-2007 (in USD)**	Expenditures 2006-2007 (in USD)	Rate of Expenditure
COORDINATING UNIT, Athens, Greece (including the MED POL Component)	5,193,467	4,803,391	5,152,138	107.26%
MED POL Cooperating Agencies WHO/EURO Project Office	2,575,742	3,734,008	3,954,725	105.91%
Regional Activity Centres: Regional Marine Pollution Emergency Response Centre of the Mediterranean Sea (REMPEC/IMO)	2,292,136	2,429,045	2,537,810	104.48%
Blue Plan Regional Activity Centre (BP/RAC)	1,973,585	1,973,583	1,960,061	99.31%
Regional Activity Centre for Priority Actions Programme (PAP/RAC)	1,958,253	1,958,256	1,944,069	99.28%
Regional Activity Centre for Specially Protected Areas (SPA/RAC)	1,784,782	1,784,782	1,794,437	100.54%
INFO/RAC	159,228	166,614	183,547	110.16%
SUB-TOTAL	15,937,193	16,849,679	17,526,787	104 %
Programme Support Cost***	1,812,927	1,952,371	2,045,134	105 %
GRAND TOTAL	17,750,120	18,802,050	19,571,921	104 %

* Allocated amounts are amounts to fund the projects activities from ordinary & voluntary contributions remitted by the Contracting Parties, from transfers of unspent balances from the first to the second year of the biennium & from MEDU to the RACs for the implementation of activities.

** Allocations exceed approved amounts due to variation in exchange rates from Euro to USD

*** Programme Support Costs of 13% is charged to the MTF funds, and of 4.5% is charged to the EC voluntary Contribution funds.