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MEDITERRANEAN ACTION PLAN

Sixth Ordinary Meeting of the Contracting
Parties to the Convention for the Protection
of the Mediterranean Sea against Pollution
and its Related Protocols

Athens, 3-6 October 1989

Non-budgetary Contributions
for the protection of the Mediterranean

Note by the Secretariat

1. The joint meeting of the Scientific and Technical Committee and the Socio-Economic Committee heard suggestions from several delegations that the Contracting Parties should consider possible recourse to non-budgetary renewable contributions to special trust funds for the financing on a significant scale of the major projects for the protection of the marine or coastal environment. They invited the Co-ordinating Unit to prepare some documentary material for consideration by the Contracting Parties (UNEP(OCA)/MED WG.3/4 Paragraph 151).
2. The Secretariat has a very limited experience on this subject and is presenting some considerations as a basis for an exchange of views at the Sixth Meeting of Contracting Parties.
3. The Second Meeting of Contracting Parties, in 1981, received a study of the feasibility of administration of the Mediterranean Trust Fund by organizations or bodies other than the United Nations Environment Programme, prepared for UNEP by a consultant (UNEP/IG.23/5). The analysis contained in the study is still relevant, since the five alternatives (maintenance of the status quo, institutionalization of the office of the Co-ordinator, separate international organization, management by a member-state, complete authority) have different implications vis-à-vis the collection and management of non-budgetary contributions. The management of the Mediterranean Trust Fund by UNEP, selected by the Contracting Parties, does not allow for the setting up of parallel funds for special purposes.
4. However, it must be noted that the rules of the Trust Fund are not fully used at present. Contributions are now limited to the Contracting Parties and are strictly based on the agreed scale of contributions. In fact, the rules allow for:
 - A. Contributions to the MTF to be received from any outside source;
 - B. Contributions to the MTF to be paid in excess of the agreed levels, as it has occasionally been made in the past.
5. In respect to A, the Contracting Parties could appeal to foundations and private donors to contribute to the MTF and they could encourage individual Parties to contribute in excess of the amounts pledged.
6. Within UNEP, the Governing Council has authorized the setting up of a Clearing House mechanism to match UNEP-developed projects with resources from individual donors. Clearing House funds, however, appear destined to countries that are economically less developed and in greater need than most Mediterranean coastal States.

7. Since the start of the Action Plan, suggestions have been made concerning possible other sources of income for the protection of the Mediterranean. There were three types of proposals: a fee on ships entering the Mediterranean; a fee on tourists arriving at the Mediterranean; a mechanism for collection of voluntary contributions at beach sites
8. Fees on ships appear to be contrary to international law and freedom of navigation. Port charges are supposed to cover antipollution measures at the port site. Charges for use of port reception facilities for ballast waters or oil residues may be included in the port charges or paid separately. However, the idea of charging for the use of sea lanes, the way road traffic is charged for the use of highways, has been put forward.
9. Levies on imports. In Libya a 3% levy is collected on the importation of pesticides and chemical materials into the country to finance activities relevant to the protection of the environment.
10. Levies on tourists' tickets appear to be contrary to IATA regulations. Nevertheless, Egypt has passed legislation taxing foreign travel to finance tourist infrastructure and the protection of the environment.
11. Over 100 million tourists per year are estimated to spend their holidays on the Mediterranean and are, therefore, directly interested in the improvement of its waters and coast. It would seem logical and possible to launch a far-reaching campaign for the voluntary raising of funds on an annual basis. Such a campaign would contribute to increased awareness of the problems of the marine and coastal environment and, if only 10 per cent of the tourists contributed one dollar each \$10 million would be collected. The organizational infrastructure required for such campaigns cannot be underestimated. It might include the largest travel agencies, the most important camping sites, nautical clubs, fishing associations, beach facilities, hotels and restaurants. Collections of voluntary contributions from pleasure boat owners, or from tourists on beaches, as well as proceeds from sales of special items of clothing, stickers, etc., rely on extensive voluntary manpower, on legislation that varies from country to country, on strict controls on the collection and use of collected funds.
12. A variant on this approach are collection boxes placed inside departure lounges at airports where they compete for contributions with other worthy causes, mostly of a social or health-related type. A further variant is the direct appeal through advertisements in environmental or general-interest publications inviting contributions from the public to specially set up bank accounts.

13. None of these methods appear likely to produce sizable funding for major projects for the protection of the marine or coastal environment.
14. Other possibilities concern tax relief for use of environmentally sound products or installations. They could benefit municipalities that install treatment plants, factories that introduce clean technologies, private boat owners who forgo the use of TBT antifouling paints.
15. National legislation has been developed in some countries (e.g. Israel) allowing the Environment Agency to keep the proceeds of fines and use them to finance further Agency activities. Such special destination of fines may not be possible in other legal systems.
16. Commercial institutions have sometimes agreed to devolve a small percentage of their profits to environmental causes in connection with the use of their products or services (e.g. use of American Express credit cards has resulted in contributions to WWF).
17. National and local foundations often possess large resources. They have occasionally supported environmental initiatives mostly of a meeting type (Fondation Seydoux in France, Fondazione Agnelli in Italy), but also for scientific research (Fondation Ricard in France) or to promote environmental information (Fondazione Istituto San Paolo, in conjunction with Italian Television). While foundations sometimes expect to be substantially associated with the project they finance, some may be satisfied with an acknowledgement of their financial support.
18. Contributions from Foundations for specific MAP activities may be solicited, provided the effort required in negotiating conditions and roles is not excessive in relation to the support expected.

Conclusions

19. This brief review of various methods for collecting additional funds does not indicate any readily available source to finance on a significant scale what remain primarily governmental obligations. By any standards, Government's contributions to the Mediterranean Trust Fund remain very modest, with half of all pledges below \$30,000 per year (one third below \$10,000). Since contributions are indexed to the Gross National Product, even the larger contributions must be considered comparatively modest.

20. In fixing the levels of contributions, Government representatives appear to underestimate the willingness of their legislators to provide more substantial funds. Both the Italian Senate and the European Parliament have recently expressed willingness to support more generously this Mediterranean initiative. Furthermore, the extent of counterpart funds made available for MAP projects in Greece, France and Yugoslavia shows that additional funds, perhaps directly tied to project execution, may well be available.
21. The bilateral programmes of technical co-operation have been developed along the lines of traditional "development aid" and rely on short-term GNP indicators. They do not reflect the current thinking on sustainable development, in which the cost of soil loss, water pollution, coastal degradation, and assorted environmental "accidents" must be accounted for when drawing the balance sheet of the development effort. Therefore, projects aiming at a more rational use of the resource base and the protection of non-renewable resources should figure more prominently in bilateral programmes.
22. Finally, popular demand for a better environmental quality is increasingly voiced by a network of non-governmental organizations and more recently through the voting process. This should convince decision-makers that the provision of an acceptable environmental quality is a basic expectation that must be met through the use of public funds.