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EXECUTIVE BODY FOR THE CONVENTION ON LONG-RANGE TRANSBOUNDARY AIR POLLUTION

Steering Body to the Cooperative Programme for Monitoring and Evaluation of the Long-range Transmission of Air Pollutants in Europe (EMEP) (Twenty-ninth session, Geneva, 5-7 September 2005) Item 7 of the provisional agenda

FINANCIAL AND BUDGETARY MATTERS OF EMEP

Note by the secretariat

Introduction

1. This note presents the status of contributions by Parties to the EMEP Protocol. It reports on the use of resources in 2004 and sets out the proposed budget for EMEP for the year 2006. The note also proposes the adoption of a revised scale of contributions as an amendment to the annex to the EMEP Protocol and presents the calculated schedule of mandatory contributions for 2006.

I. STATUS OF THE TRUST FUND, CONTRIBUTIONS IN KIND AND VOLUNTARY CONTRIBUTIONS

2. The contributions paid by the Parties to the Convention for the long-term financing of EMEP as of 18 May 2005 are summarized in table 1 below. They include both the mandatory contributions from the Parties to the EMEP Protocol within the geographic scope of EMEP and the voluntary contributions from Canada and the United States, as Parties outside the geographic scope of EMEP. On 18 May 2005, the Protocol on the Long-term Financing of the Cooperative Programme for Monitoring and Evaluation of Long-range Transmission of Air Pollutants in Europe (EMEP) had 41 Parties.

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3. Table 1 also includes the mandatory contributions in kind. In 2004 only Belarus contributed in kind to the work of the Task Force on Emission Inventories and Projections. All other Parties have agreed to pay their contributions in cash. A voluntary contribution of US\$ 5,000 in cash was made by the United States.

4. In addition to the contributions summarized in table 1, voluntary extrabudgetary contributions directly to the centres have been allocated over several years. In the period 1994-2003, the Meteorological Synthesizing Centre-West (MSC-W) received in total the equivalent of US\$ 8,337,275 from Norway, the United Kingdom, or through projects financed by the Nordic Council of Ministers and the European Community. In 2004, MSC-W received extrabudgetary contributions (either directly from its host institution, the Norwegian Meteorological Institute, or through projects financed by the Nordic Council of Ministers and the European Community) that totalled US\$ 1,947,993. In 2001 and 2002, MSC-W received a contribution in kind from the United Kingdom. Between 1994 and 2003, the Chemical Coordinating Centre (CCC) received in total the equivalent of US\$ 1,316,474 from its host institution, the Norwegian Institute for Air Research (NILU). In 2004, CCC received from NILU the equivalent of US\$ 208,000. In 2001, MSC-E received US\$ 30,000 from the World Meteorological Organization. It also received US\$ 120,000 from the Arctic Monitoring and Assessment Programme (AMAP) in the period 2001-2002, and US\$ 4,400 from the UNECE Working Group on Environmental Monitoring in 2003. In 2004, MSC-E received US\$ 13,830 from the European Commission.

5. According to the payment records of the secretariat, by 18 May 2005 the total arrears in cash and in kind from 1991 to 2004 stood at US\$ 370,986, of which US\$ 54,792 were outstanding payments in cash. For Greece, Portugal, and Romania payments are outstanding for 2004. Italy has arrears for 2003 and 2004, although it paid part of is contribution in 2005. Greece also made a payment in 2005, which was not sufficient to cover its arrears and its contribution for 2005.

6. Ukraine is still in arrears for 1992, 1993, 1994, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003 and 2004. Ukraine's arrears from 1992 to 2001 relate to contributions in kind worth US\$ 316,194. A project on the development of a national model for environmental impact assessment of heavy metal emissions had been initiated by Ukraine in order to cover its arrears to EMEP for 1992-1994, equivalent to US\$ 140,989. In a letter dated 15 April 2004, Ukraine informed the secretariat about progress in the development of the project. Due to financial difficulties, the work had not been completed by the end of 2003, as originally planned. As of 18 May 2005, the secretariat had no information on the further implementation of the project.

7. A project to establish an international benchmark station for EMEP background monitoring on the Black Sea island of Zmejiny was approved by the Steering Body at its

twenty-eighth session to cover Ukraine's arrears for the period 1996-2001, equivalent to US\$ 175,205 (EB.AIR/GE.1/2004/2, para. 73 (1)). At its meeting in February 2005, the Bureau recommended a change in the location of the site in view of the pending case between Romania and Ukraine concerning their maritime boundary. The secretariat informed Ukraine of this recommendation by the Bureau and invited it to report on progress at the twenty-ninth session of the Steering Body.

8. To cover its contribution in kind for 2004, Belarus carried out a project on further research on HCB and PCB emission inventory improvement in the Commonwealth of Independent States (CIS). The Bureau, at its meeting in February 2005, recommended that the EMEP Steering Body approve the contribution by Belarus for 2004 (EB.AIR/GE.1/2005/9, para. 12).

9. In addition, as detailed in table 1 below, payments in cash for 2005 totalling US\$ 532,110 had been received by 18 May 2005. The expected contributions from Belgium, the Czech Republic, Estonia, Finland, France, Germany, Ireland, Lithuania, the Netherlands, Poland, Portugal, Romania, Serbia and Montenegro, Slovakia, Slovenia, Spain, Sweden, Turkey, Ukraine and the European Community in cash to the Trust Fund and a contribution in kind from Belarus are still outstanding.

II. USE OF RESOURCES BY THE EMEP CENTRES IN 2004

10. Table 2 presents a summary of the use of resources by CCC, MSC-E and MSC-W. This overview is based on the detailed information prepared by the centres and presented to the EMEP Bureau.

11. Much of the work of EMEP relies on extrabudgetary contributions. The extrabudgetary resources listed in paragraph 4 above were used to supplement resources provided through mandatory contributions in all areas of work. CCC used extrabudgetary resources to add about 20% to the resources provided by the EMEP Trust Fund. They were mainly used to provide additional resources for acid deposition and photo-oxidants measurements, and to host a workshop on the implementation of the EMEP monitoring strategy. In addition, the low US\$/NKr exchange rate reduced the financial resources available. MSC-W used extrabudgetary contributions to cover 73% of its expenditure in 2004. It should be noted that the total operating expenses of MSC-W have increased significantly (by almost 40%) with respect to previous years, mainly owing to an increased demand for computer resources for the calculation of sourcereceptor relationships. Most of the work of the Centre for Integrated Assessment Modelling (CIAM) was financed through non-EMEP sources. MSC-E received funding from the European Commission to contribute to the EC project "Estimation of willingness-to-pay to reduce risks of exposure to heavy metals and cost-benefit analysis for reducing heavy metals occurrence in Europe["] (ESPREME).

12. At its twentieth session, the Executive Body decided, based upon the recommendation by the EMEP Steering Body, to increase the EMEP budget for the period 2004 to 2006 to US\$ 2,142,520 and to apply the 2003 United Nations scale of assessments as a basis for calculating the EMEP scale of mandatory contributions from 2004 - 2006. At its twenty-second session, the Executive Body requested the secretariat to prepare a revision to the annex to the EMEP Protocol, using the 2004 United Nations scale of assessments for submission to the Steering Body at its next session (ECE/EB.AIR/83, para.89 (f)).

13. The EMEP Bureau, at its meeting in February 2005, considered the detailed 2006 budget and adopted the proposal for the 2006 budget set out in table 3 below. The Bureau left the overall budget unchanged and did not modify the distribution between the centres. A significant increase is proposed in the budget line for hemispheric modelling.

14. At its twenty-eighth session, the Steering Body agreed to keep the CIAM budget for 2006 at the same level as in 2005 (EB.AIR/GE.1/2004/2, para.73(f), EB.AIR/GE.1/2003/4, para.59). It is proposed that the budget for 2006 and the provisional budgets for 2007 and 2008 remain at the same level.

15. In accordance with the request by the Executive Body at its twenty-second session to apply the 2004 United Nations scale of assessments as a basis for calculating the EMEP scale of mandatory contributions from 2006, the EMEP scale presented in table 4 has been updated. The schedule of mandatory contributions from Parties for 2006, calculated on the basis of the above budget, is set out in the last column of table 4.

16. The Bureau approved in 2005 a project on further research to improve the inventory of particulate matter emissions in the Commonwealth of Independent States, taking the example of Belarus, to cover the 2006 contribution from Belarus. The project should be conducted in close consultation with the Task Force on Emission Inventories and Projections or one of its panels (EB.AIR/GE.1/2005/9, para. 12).

17. In order to update the annex to the EMEP Protocol on the basis of the 2004 United Nations scale of assessments, the Steering Body may wish to recommend to the Executive Body to amend the annex to the EMEP Protocol accordingly. The draft annex to the EMEP Protocol is set out in the annex to this document.

IV. PROPOSED DECISIONS FOR THE EMEP STEERING BODY

18. The Steering Body may wish to:

(a) Take note of the status of contributions to the financing of EMEP provided in document EB.AIR/GE.1/2005/11 and the additional information provided by the secretariat during the session;

(b) Approve the use of resources by the EMEP centres in 2004 as presented in table 2 of EB.AIR/GE.1/2005/11;

(c) Also approve the 2004 contribution in kind from Belarus;

(d) Agree on the detailed budget for 2006 set out in table 3 of EB.AIR/GE.1/2005/11 and the schedule of mandatory contributions from Parties for 2006 as set out in the last column of table 4 of that document;

(e) Also agree on the proposed budget of CIAM for 2006 as set out in the report of the Task Force on Integrated Assessment Modelling (EB.AIR/GE.1/2003/4, para. 59) and on keeping the proposed budgets for 2007 and 2008 at the same level;

(f) Recommend to the Executive Body to adopt the 2006 budgets and the revised schedule of contributions;

(g) Call upon the Parties to the EMEP Protocol to consider making voluntary contributions (in kind or in cash through the trust fund) to ensure that the work, especially the difficult tasks required in 2006 for carrying out the protocol reviews, including the work on integrated assessment modelling, can be accomplished as foreseen in the work-plan; and

(h) Recommend to the Executive Body to amend the EMEP Protocol by adopting, in accordance with article 4, paragraph 3, of the Protocol, the revised annex set out in the annex to document EB.AIR/GE.1/2005/11.

	EMEP Protocol in	Contributions received			Arrears by 2004	Arrears Contributions	
Party	force since		In kind	In cash	~y	Expected	
Austria	28/01/1988	46,408		571,206		47,240	47,240
Belarus	28/01/1988		115,795 <u>c</u> /	011,200		950	
Belgium	28/01/1988	64,761		739,377		56,320	<u> </u>
Bosnia and Herzegovina	06/03/1992	04,701		3,565		200	200
Bulgaria	28/01/1988	3,400 <u>a</u> /	56,769	3,680		650	650
Canada	28/01/1988	37,798	00,700	48,816		Voluntary	
Croatia	08/10/1992	01,100		25,031		1,950	1,950
Cyprus	18/02/1992			15,448		1,900	1,900
Czech Republic	01/01/1993			135,112		10,130	10,130
Denmark	28/01/1988	52,500		458,040		37,360	37,360
Estonia	07/03/2002	52,500		1,656		500	57,500
Finland	28/01/1988	140,333		358,531		26,040	
France	28/01/1988	30,000		4,111,019		322,560	
Germany	28/01/1988	416,826		5,958,120		487,330	
Greece	22/09/1988	410,020		265,071	26,900	26,890	25,149
Hungary	28/01/1988	2,250 <u>a</u> /	22,695	87,525	20,300	5,990	5,966
Ireland	28/01/1988	9,754	22,000	156,674		14,670	0,000
Italy	12/04/1989	0,701		2,498,553	231 439	252,660	240,180
Latvia	19/05/1997			8,249	201,400	500	500
Liechtenstein	28/01/1988	160		5,369		300	300
Lithuania	05/02/2004	100		0,000		850	
Luxembourg	28/01/1988	671		40,167		3,990	3,990
Malta	12/06/1997	0/1		3,840		750	750
Monaco	25/11/1999			972		200	200
Netherlands	28/01/1988	159,816		1,095,214		86,700	200
Norway	28/01/1988	151,099		470,060		32,230	32,230
Poland	13/12/1988	9,000 <u>a</u> /	122,337	173,913		18,860	52,250
Portugal	10/04/1989	7,050 <u>a</u> /	122,007	162,631	23,060	23,050	
Romania	27/07/2003	7,000		102,001	2,890	2,890	
Russian Federation	28/01/1988		2,434,909	511,227	2,030	59,890	59,890
Serbia and Montenegro	27/04/1992		2,434,909	32,735		1,000	59,690
Slovakia	28/05/1993			46,420		2,140	
Slovenia	06/07/1993			33,546		4,040	
	28/01/1992	61,303		1,441,028		4,040	
Spain Sweden	28/01/1988	163,034				51,220	
Sweden Switzerland	28/01/1988	57,922		788,660 816,593		63,550	63,525
	28/01/1988			243,143		21,950	03,525
		16,336	180,164		337,181 b/		
Ukraine	28/01/1988	007.405	160,104	0	337,101 <u>D</u> /	2,640	
United Kingdom	28/01/1988	227,495		3,152,083		276,160	
United States	28/01/1988	40,000		89,850		Voluntary	
European Community	28/01/1988	74,559	404.405	1,007,605		71,510	
Former Czechoslovakia		9,000 <u>a</u> /	104,405				
Former GDR		16,000 <u>a</u> /	155,052				
Former USSR		1,593,000 <u>a</u> /	1,076,522				
Former Yugoslavia		4,056		21,643			
Total, in cash		2,174,651		23,685,737	305,276	2,142,400	532,110
Total, in kind		1,632,650	4,267,698		316,194	950	0
Total (all)	41 Parties	3,394,531	27,95	3,435	621,470	2,143,350	532,110

Table 1. Contributions to the financing of EMEP, US\$ (as of 18 May 2005)

Notes:

<u>a</u>/ Contribution in kind.

<u>b/</u> Arrears for Ukraine contain the equivalent of US\$ 316,194 to be contributed in kind. The EMEP Steering Body has approved two projects equivalent to USD 140,989 and USD 175,205 respectively to cover Ukraine's arrears for 1992-1994 and 1996-2001. As of 2002, Ukraine is expected to pay in cash. Its arrears for 2002-2004 amount to 23,627. c/ Pending approval of the 2004 contribution in kind by the EMEP Steering Body

	TOTAL		CCC		MS	MSC-E		MSC-W	
	Budgeted	Reported	Budgeted	Reported			Budgeted	Reported	
I. Funded by the EMEP Trust Fund									
A. Acid deposition and eutrophication									
Modelling ^{a/} Measurements ^{b/}	150,000 200,000	150,365 200,196		200,196			150,000	150,365	
B. Photo-oxidants Modelling ^{a/} Measurements ^{b/}	150,000 200,000	148,561 200,281	200,000	200,281			150,000	148,561	
C. Heavy metals Modelling ^{a/} Measurements ^{b/}	150,000 100,000	151,464 99,843	100,000	99,843	150,000	151,464			
D. Persistent organic pollutants Modelling ^{a/} Measurements ^{b/}	200,000 100,000	196,205 99,719	100,000	99,719	200,000	196,205			
E. Integrated assessment modelling	105,000	105,000					105,000 ^{-d/}	105,000	
F. Small particles [⊴] Modelling ^{ª/} (unified model) Measurements ^{b/}	150,000 200,000	156,936 200,549	200,000	200,549			150,000	156,936	
G. Emission database and verification of data Database Verification and expert estimates	160,000	158,420 25,489	20,000	25,489			160,000	158,420	
H. Cooperation with national programmes	90,000	87,484	30,000	30,401	30,000	31,179	30,000	25,904	
I. Assessment report	35,000	33,179	10,000	9,955	10,000	8,109	15,000	15, 058	
J. Hemispheric modelling	70,000	68,043	5,000	0 <u>e</u> /	50,000	53,043	15,000	15,000	
Subtotal (AH.) K. Programme support		2,081,677 62,450	865,000	866,433	440,000	440,000	775,000	775,244	
cost (3%) I. Subtotal (AJ.)	2,142,400	2,144,127							
II. Contribution in kind Belarus	950	950							
TOTAL (I, II)	2,143,350	2,145,077							

Table 2. Use of budgeted resources in 2004 (in US\$)

<u>a</u>/ "Modelling" includes: preparation of input data for model runs (emission data, meteorological data, etc.), model development, model verification and model calculations.

<u>b</u>/ "Measurements" includes data monitoring, data storage, quality control and quality assurance.

<u>c</u>/ Work on particles at MSC-E is included under the budget line for heavy metals and persistent organic pollutants (C and D).

 \underline{d} Used for external consultancy by CIAM.

e/ Work on this item at CCC was funded from extrabudgetary sources. The budgeted amount was used for work on verification and expert estimates (G)

		TOTAL	CCC	MSC-E	MSC-W
I.	Funded by the EMEP Trust Fund				
Α.	Acid deposition and eutrophication				
	Modelling (unified Eulerian model) <u>a/</u>	100,000			100,000
	Measurements <u>b</u> /	120,000	120,000		
B.	Photo-oxidants				
	Modelling (unified Eulerian model) <u>a/</u>	100,000			100,000
	Measurements <u>b</u> /	150,000	150,000		
C.	Heavy metals				
	Modelling <u>a</u> /	180,000		180,000	
	Measurements <u>b</u> /	115,000	115,000		
D.	Persistent organic pollutants				
	Modelling <u>a</u> /	200,000		200,000	
	Measurements <u>b</u> /	140,000	140,000		
	Integrated assessment modelling	105,000			105,000*
F.	Small particles <u>d</u> /				
	Modelling (unified Eulerian model) <u>a</u> /	155,000			155,000
	Measurements <u>b</u> /	190,000	190,000		
G.	Emission database and verification of data				
	Database	90,000			90,000
	Verification and expert estimates	50,000	20,000		30,000
H.	Cooperation with national programmes	160,000	100,000**	30,000	30,000
I.	Smaller scale				***
J.	Links to the hemispheric scale	225,000	30,000	30,000	165,000
	Subtotal (A-J)	2,080,000	865,000	440,000	775,000
K.	Programme support cost (3% of A-J)	62,400			
I.	Subtotal (A-K)	2,142,400			
II.	Contribution in kind				
	Belarus in kind	930 <u>e</u>			
TOT		/			
TOT	AL (I + II)	2,143,350			

Table 3. Proposed 2006 EMEP budget covered by the mandatory contributions (in US\$)

<u>a</u>/ "Modelling" includes: preparation of input data for model runs (emission data, meteorological data, etc.), model development, model verification and model calculations.

<u>b</u>/ "Measurements" includes data monitoring, data storage, quality control and quality assurance.

- \underline{c} / To be used for external consultancy by the Centre for Integrated Assessment Modelling.
- \underline{d} Work on particles at MSC-E is included under the budget line for heavy metals and persistent organic pollutants (C and D).

e/ Expected contributions in kind from Belarus to a project on PM emission inventory improvement in the Commonwealth of Independent States (CIS), taking the example of Belarus.

**: Implementation of the monitoring strategy

***: Contribution in kind from UK.

	UN 2004 assessment	"EMEP share"	EMEP scale of	2006 contribution
	rate (%)	(%)	contributions (%)	(US\$)
Parties				
Belarus	0.018	0.0433	0.0434	930
Bosnia and Herzegovina	0.003	0.0072	0.0072	160
Bulgaria	0.017	0.0409	0.0410	880
Canada	2.813	voluntary	voluntary	voluntary
Croatia	0.037	0.0891	0.0892	1,910
Liechtenstein	0.005	0.0120	0.0121	260
Monaco	0.003	0.0072	0.0072	160
Norway	0.679	1.6348	1.6378	35,110
Romania	0.060	0.144	0.1447	3,100
Russian Federation	1.100	2.6484	2.6533	56,870
Serbia and Montenegro	0.019	0.0457	0.0458	980
Switzerland	1.197	2.8820	2.8873	61,890
Turkey	0.372	0.8956	0.8973	19,230
Ukraine	0.039	0.0939	0.0941	2,020
United States	22.000	voluntary	voluntary	voluntary
Austria	0.859	2.0682	2.0720	44,410
Belgium	1.069	2.5738	2.5786	55,270
Cyprus	0.039	0.0939	0.0941	2,020
Czech Republic	0.183	0.4406	0.4414	9,460
Denmark	0.718	1.7287	1.7319	37,120
Estonia	0.012	0.0289	0.0289	620
Finland	0.533	1.2833	1.2857	27,560
France	6.030	14.5182	14.5452	311,750
Germany	8.662	20.8552	20.8939	447,830
Greece	0.530	1.2761	1.2784	27,400
Hungary	0.126	0.3034	0.3039	6,510
Ireland	0.120	0.8427	0.8442	18,100
Italy	4.885	11.7614	11.7833	252,560
Latvia	0.015	0.0361	0.0362	
Lithuania	0.013	0.0361	0.0362	780 1,240
	0.024	0.038	0.1857	3,980
Luxembourg Malta	0.017	0.1834	0.1837	
Netherlands	1.690	4.0689	4.0765	87,370
Poland		4.0689	4.0765	23,830
	0.461 0.470	1.1099	1.1120	
Portugal Slovakia				<u>24,300</u> 2,640
	0.051 0.082	0.1228	0.1230	2,640
Slovenia	2.520	0.1974 6.0673	0.1978 6.0786	4,240
Spain Sweden	0.998	2.4028	2.4073	
United Kingdom	6.127	14.7517	14.7791	51,600
	0.127	3.3300	3.3362	<u>316,770</u> 71,510
European Community		00.0116	<u> </u>	2,143,350
Total		99.8146	100.000	2,145,550
Parties to the Convention n				
Armenia	0.002	0.005	n/a	n/a
Azerbaijan	0.005	0.012	n/a	n/a
Georgia	0.003	0.007	n/a	n/a
Iceland	0.034	0.082	n/a	n/a
Kazakhstan	0.025	0.060	n/a	n/a
Kyrgyzstan	0.001	0.002	n/a	n/a
Republic of Moldova	0.001	0.002	n/a	n/a
The FYR of Macedonia	0.006	0.014	n/a	n/a
Total (excl. Canada and				
United States)	40.151	100.000		

Table 4. EMEP scale of contributions, calculated on the basis of the 2004 UN scale of assessments, and the 2006 schedule of contributions

<u>Annex</u>

Draft annex referred to in article 4 of the Protocol to the 1979 Convention on Long-range Transboundary Air Pollution on Long-term Financing of the Cooperative Programme for the Monitoring and Evaluation of the Long-range Transmission of Air Pollutants in Europe (EMEP)

Mandatory contributions for sharing of costs for financing EMEP shall, from 2006 onwards, be calculated according to the following scale*

	Per cent
Belarus	0.0434
Bosnia and Herzegovina	0.0072
Bulgaria	0.0410
Canada	voluntary
Croatia	0.0892
Liechtenstein	0.0121
Monaco	0.0072
Norway	1.6378
Romania	0.1447
Russian Federation	2.6533
Serbia and Montenegro	0.0458
Switzerland	2.8873
Turkey	0.8973
Ukraine	0.0941
United States	voluntary
Austria	2.0720
Belgium	2.5786
Cyprus	0.0941
Czech Republic	0.4414
Denmark	1.7319
Estonia	0.0289
Finland	1.2857
France	14.5452
Germany	20.8939
Greece	1.2784
Hungary	0.3039
Ireland	0.8442
Italy	11.7833
Latvia	0.0362
Lithuania	0.0579
Luxembourg	0.1857
Malta	0.0338
Netherlands	4.0765
Poland	1.1120
Portugal	1.1337
Slovakia	0.1230
Slovenia	0.1978
Spain	6.0786
Sweden	2.4073
United Kingdom	14.7791
European Community	3.3362
Total	100.0000

^{*} The order in which the Contracting Parties are listed in this annex is specifically made in relation to the cost-sharing system agreed upon by the Executive Body for the Convention. Accordingly, the listing is a feature which is specific to the Protocol on the Financing of EMEP.