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REVISED REPORT ON FINANCING OF EFFECTS-ORIENTED ACTIVITIES¹

Note by the Bureau of the Working Group on Effects
in collaboration with the secretariat

¹ This report was revised on request of the twenty-fifth session of the Working Group on Effects for submission to the Executive Body at its twenty-fourth session

INTRODUCTION

1. At its twenty-third session, the Executive Body for the Convention reminded Parties of its decision 2002/1 on the financing of core activities (ECE/EB.AIR/77/Add.1, annex I). It took note of the contributions made in 2004 and 2005 to the Trust Fund for core activities not covered by the EMEP Protocol, both those in cash and those in kind made directly to programme centres.

2. In particular, the Executive Body noted that decision 2002/1 had not been effective in attracting the necessary funds for coordinating the core activities not covered by the EMEP Protocol.

3. The Executive Body requested the secretariat to inform Parties of their recommended contributions to meet the 2006 budget, inviting them to make contributions as decided in decision 2002/1. It also urged all Parties that had not yet done so to consider providing, without undue delay, recommended cash contributions to the Trust Fund for financing core activities. Furthermore, it noted with appreciation the essential support provided to the Convention and its bodies by lead countries, countries hosting coordinating centres and those organizing meetings, as well as countries that funded activities of their national focal centres/points and the active participation of national experts.

4. In keeping with decision 2002/1, the Executive Body decided to adopt, for the core activities not funded by the EMEP Protocol, a budget for 2006 of US\$ 2,152,700 (EB.AIR/2005/2, table 8) and a provisional budget for 2007 and 2008 of US\$ 2,152,700. Contributions to the Trust Fund and the use of those contributions are summarized in sections I and II below.

5. The Executive Body further noted the need to develop the funding mechanism for core activities not covered by the EMEP Protocol. These items were also addressed in the document EB.AIR/2005/2. The secretariat wished to draw attention to some additional details (see section III below).

6. The Bureau of the Working Group on Effects prepared a detailed draft budget for the costs of core activities in 2007 (table 1) and suggested a provisional budget for 2008 and 2009 of US\$ 2,152,700. It agreed that the international coordination priorities focus on the items of the draft 2007 workplan submitted for approval by the Working Group (see section IV below).

I. RECOMMENDED CASH CONTRIBUTIONS IN 2005 AND 2006

7. The cash contributions decided in Executive Body's decision 2002/1 towards partly financing the essential coordination of effects-oriented activities that were paid to the Trust Fund in 2005 and 2006 (as of 31 May 2006) are presented in tables 2 and 3, respectively. In addition to the cash contributions earmarked for individual programmes, the tables show in the column "EOA-GEN" the non-earmarked cash contributions for the effects-oriented activities; in the column "CIAM" the contributions allocated to the Centre for Integrated Assessment Modelling; in the column "T. contr." the total contributions from individual countries to the Trust Fund for the year; in the column "PYC" the past years' contributions during the year; and in the column "Decid. contr." the decided contributions from individual countries to the Trust Fund for the year.

8. The contributions in kind, as agreed in Executive Body's decision 2002/1, towards partially financing the essential coordination of effects-oriented activities paid to the Trust Fund in 2005 and in 2006 (as of 31 May 2006) are presented in tables 4.a and 4.b, respectively.

9. In addition to the contributions in cash and in kind shown in tables 2, 3 and 4, and to the substantial contributions made by the lead countries of the programmes and by the countries hosting the programme centres directly to the centres, a number of Parties provided additional support to effects-oriented activities by hosting task force meetings, workshops and/or expert meetings.

II. USE OF RECOMMENDED CASH CONTRIBUTIONS IN 2006

10. The use of earmarked and non-earmarked cash contributions in 2000–2006 (as of 31 May 2006) is presented in table 5. The non-earmarked cash contributions to the Trust Fund enabled significant amounts, compared to previous years, to be used in 2005 for supporting the activities not covered by the EMEP Protocol. The line "Substantive reporting" represents (a) funds provided in 2001 to the programmes as partial compensation for the expenses that they had previously incurred while preparing the report "Trends in the impacts of long-range transboundary air pollution"; and (b) funds provided in 2002, 2003 and 2004 to cover the costs of a consultant hired to prepare and help finalize the 2004 substantive report on the review and assessment of air pollution effects and their recorded trends.

11. Before Executive Body decision 2002/1, cash contributions were paid to Programme Centres rather irregularly and payments were dependent on the availability of funds. Since 2002, contributions have become sufficiently regular to allow regular, annual payments. Implementing

Instruments are currently used in the formal contracting procedure used by the United Nations for this Trust Fund. A similar process is used for the EMEP Centres.

12. Formal contracts with Implementing Instruments have been used to distribute cash contributions in 2006. These were drawn up between UNECE and the institutes recognized in Executive Body decision 2002/1 as being nominated as programme (coordinating) centres for the International Cooperative Programmes (ICPs) and the Task Force on the Health Aspects of Air Pollution. The Bureau of the Working Group approved the tasks and outputs for the centres as listed in the Convention's 2006 workplan.

III. DEVELOPING THE FUNDING MECHANISM FOR CORE ACTIVITIES

13. At its twenty-third session, the Executive Body requested the Working Group on Effects in collaboration with the secretariat to consider how to improve the information on budgeting, financing and workplan completion. The programme centres have drawn up their budgets in advance for approval, but contributions from Parties, which are unpredictable in their amount and time of payment, have only partly matched the budgets. No plans (e.g. pledging payments in advance) have been proposed to justify more detailed budgeting. The secretariat has during the past few years provided the financial information in various formats to satisfy the needs of the Working Group and the Executive Body. It also has received financial statements from the centres on the Trust Fund contribution expenditure. The Working Group has made significant progress in disseminating the results, which are reported separately for each workplan item in the annual joint report of the Working Group.

14. The Executive Body also requested the secretariat to provide information on in-kind contributions by Parties in support of core activities not falling under decision 2002/1 and requested Parties to provide the secretariat with the necessary information for this. The secretariat has dealt with declarations to record in-kind contributions, which vary in amount and nature. The information is made available in table 4.

15. The Executive Body further noted the need for the Working Group on Effects to discuss possibilities for the distribution of trust fund support. The secretariat has continued to share the non-earmarked contributions equally between all programme centres due to the lack of information on the needs of the programme centres and the undeclared in-kind contributions of Parties to them. A primary aim should be to ensure full financial contribution from the Parties in accordance with Executive Body decision 2002/1. A review mechanism for the distribution of the contribution may have to be developed based on the needs of international coordination and priorities of the core activities.

**IV. PRIORITY TASKS FOR 2007 (TO BE PARTLY FINANCED
BY THE TRUST FUND)**

16. At its meeting in Geneva from 1 to 3 March 2006, the Extended Bureau of the Working Group on Effects, comprising the Bureau of the Working Group, the Chairs of the Task Forces and the representatives of the programme centres of ICPs, agreed that the formal contracts continue to be based on the adopted workplan of the Convention. The draft 2007 workplan for the Working Group on Effects and the proposed lists of tasks for each programme can be found in document ECE/EB.AIR/WG.1/2006/4.

Table 1. International coordination costs for core activities in 2007 not funded through the EMEP Protocol (in thousands of US\$)

Activities	ICP Forests; PCC ^{1/}	ICP Waters; PC ^{2/}	ICP Materials; PMRC ^{3/}	ICP Vegetation; PCC ^{4/}	ICP Integrated Monitoring; PC ^{5/}	ICP Modelling & Mapping; CCE ^{6/}	TF Health Aspects ^{7/}	Centre for IAM ^{8/}	Subtotal Activities
Monitoring and assessment	100	60	70	30	75				335
Dose-response	40	60	75	75	40				290
Critical loads and levels	45	35	70	55	30	135			370
Dynamic modelling	35	40	35	20	80	140			350
Database management	85	65	60	70	75	35			390
Total ICPs, Task Force and CIAM	305	260	310	250	300	310	115	240	2090^{9/}

^{1/} International Cooperative Programme (ICP) on Assessment and Monitoring of Air Pollution Effects on Forests; Lead Country: Germany; Programme Coordinating Centre: Federal Research Centre for Forestry and Forest Products, Hamburg, Germany.

^{2/} ICP on Assessment and Monitoring of Acidification of Rivers and Lakes; Lead Country: Norway; Programme Centre: Norwegian Institute for Water Research, Oslo, Norway.

^{3/} ICP on Effects of Air Pollution on Materials, including Historic and Cultural Monuments; Lead Countries: Sweden and Italy; Programme Main Research Centre: Corrosion and Metals Research Institute, Stockholm, Sweden.

^{4/} ICP on Effects of Air Pollution on Natural Vegetation and Crops; Lead Country: United Kingdom; Programme Coordination Centre: Centre for Ecology and Hydrology, Bangor, United Kingdom.

^{5/} ICP on Integrated Monitoring of Air Pollution Effects on Ecosystems; Lead Country: Sweden; Programme Centre: Finnish Environment Institute, Helsinki, Finland.

^{6/} ICP on Mapping Critical Levels and Loads; Lead Country: Germany; Coordination Centre for Effects: Netherlands Environmental Assessment Agency, Bilthoven, Netherlands.

^{7/} Task Force on the Health Aspects of Air Pollution; Led by the WHO European Centre for Environment and Health, Bonn, Germany; essential coordination costs borne by the WHO European Centre for Environment and Health.

^{8/} Centre for Integrated Assessment Modelling: International Institute of Applied Systems Analysis (IIASA), Laxenburg, Austria.

^{9/} Subject to 3% programme support costs (US\$ 62,700).

Table 2. 2005 cash contributions towards financing the core activities under the Convention (in US\$)

	ICP F	ICP W	ICP M	ICP V	ICP IM	ICP M&M	TF H	EOA-GEN	CIAM	T.contr.	PYC	Recom.contr.
Armenia								88	13	100		100
Austria									47,358	47,358		47,358
Azerbaijan												200
Belarus												950
Belgium								52,462	7,495	59,957		56,460
Bosnia and Herzegovina								175	25	200		200
Bulgaria								531	76	607		650
Canada								14,500	2,071	16,571		
Croatia								1,706	244	1,950		1,950
Cyprus								1,663	238	1,900		1,900
Czech Republic								8,883	1,269	10,152		10,152
Denmark								32,774	4,682	37,456		37,456
Estonia								438	63	500		500
Finland								22,841	3,263	26,104		26,104
France												323,355
Georgia												250
Germany	27,705									27,705		488,533
Greece												26,955
Hungary	655							5,230	747	6,632		6,001
Iceland								1,444	206	1,650		1,650
Ireland								12,864	1,838	14,702		14,702
Italy												253,280
Kazakhstan												1,400
Kyrgyzstan												50
Latvia												500
Liechtenstein								263	38	300		300
Lithuania								725	104	829		850
Luxembourg	129							3,501	500	4,130		4,001
Malta												750
Monaco								175	25	200		200
Netherlands												86,915
Norway	1,695	32,280								33,975		32,305
Poland	2,114							16,540	2,363	21,017		18,903
Portugal												23,104
Republic of Moldova												100
Romania												2,900
Russian Federation												60,010
Serbia and Montenegro												1,000
Slovakia	795							1,881	269	2,945		2,150
Slovenia								3,545	506	4,051		4,051
Spain												125,959
Sweden												51,346
Switzerland	3,365							34,449	4,921	42,735		63,711
The FYR of Macedonia												300
Turkey												22,004
Ukraine												2,650
United Kingdom												276,847
United States								8,750	1,250	10,000		
European Community								58,593	8,370	66,963		71,685
TOTAL CONTR.	36,458	32,280						284,019	87,932	440,689		2,152,700

Table 3. 2006 cash contributions towards financing the core activities under the Convention (as of 31 May 2006) (in US\$)

	ICP F	ICP W	ICP M	ICP V	ICP IM	ICP M&M	TFH	EOA-GEN	CIAM	T.contr.	PYC	Recom.contr.
Armenia												100
Austria	2,360									2,360		47,358
Azerbaijan												200
Belarus												950
Belgium												56,460
Bosnia and Herzegovina												200
Bulgaria								569	81	650		650
Canada												
Croatia								1,706	244	1,950		1,950
Cyprus								1,663	238	1,900		1,900
Czech Republic												10,152
Denmark								32,774	4,682	37,456		37,456
Estonia												500
Finland												26,104
France												323,355
Georgia												250
Germany												488,533
Greece												26,955
Hungary								5,251	750	6,001		6,001
Iceland												1,650
Ireland								12,864	1,838	14,702		14,702
Italy												253,280
Kazakhstan												1,400
Kyrgyzstan												50
Latvia												500
Liechtenstein								263	38	300		300
Lithuania								725	104	829		850
Luxembourg								3,501	500	4,001		4,001
Malta												750
Monaco								175	25	200		200
Netherlands												86,915
Norway		32,280								32,280		32,305
Poland												18,903
Portugal												23,104
Republic of Moldova												100
Romania								2,538	363	2,900		2,900
Russian Federation												60,010
Serbia and Montenegro												1,000
Slovakia								1,881	269	2,150		2,150
Slovenia												4,051
Spain												125,959
Sweden												51,346
Switzerland												63,711
The FYR of Macedonia												300
Turkey												22,004
Ukraine												2,650
United Kingdom												276,847
United States								8,750	1,250	10,000		
European Community								62,707	8,958	71,665		71,685
TOTAL CONTR.	2,360	32,280						135,366	19,338	189,344		2,152,700

Table 4. Contributions in kind towards financing the core activities under the Convention (a) in 2005 and (b) in 2006 (as of 31 May 2006) (in US\$)

(a)	ICP Materials	ICP Integrated Monitoring	ICP Vegetation	ICP Modelling and Mapping	Task Force on Health	Centre for Integrated Assessment Modelling	Subtotal Parties
Finland		26,104					26,104
Netherlands				86,915			86,915
Spain			5,504*				5,504
Sweden	78,300‡	28,289‡					106,589
Switzerland					20,833#	29,167#	50,000
United Kingdom		6,850†	243,664†			32,974†	283,488
TOTAL	78,300	61,242	249,168	86,915	20,833	62,141	558,600

* Contribution in kind worth € 4,370.

‡ Contributions in kind worth SKr 580,000 and 200,000, respectively.

Contributions in kind worth SwF 35,000 and 25,000, respectively.

† Contributions in kind worth £ 3,733, 132,797 and 17,971, respectively.

(b)	ICP Materials	Subtotal Parties
Sweden*	54,200	54,200
TOTAL	54,200	54,200

* Contribution in kind worth SKr 390,000.

Table 5. Use of cash contributions to partially fund effects-oriented activities in 2000–2006 (as of 31 May 2006) (in US\$)

Contributions	Earmarked							Non-earmarked						
	2000	2001	2002	2003	2004	2005	2006 ¹	2000	2001	2002	2003	2004	2005	2006 ¹
ICP Forests	84,000	66,000	75,700	76,200	52,000	59,000	50,000			20,300	15,000	45,000	46,000	40,000
ICP Waters	16,000	17,000	1,200	33,300	34,000	38,000	30,000			20,300	15,000	45,000	46,000	40,000
ICP Materials		70,000	6,700							20,300	15,000	45,000	46,000	40,000
ICP Vegetation	34,500									20,500	15,000	45,000	46,000	40,000
ICP Integrated Monitoring		13,000	700							20,300	15,000	45,000	46,000	40,000
ICP Modelling and Mapping	114,700	45,000	4,700	37,600						20,300	15,000	45,000	46,000	40,000
Task Force on Health										20,000	15,000	45,000	46,000	40,000
Substantive reporting									93,500	4,545	17,164	11,902		
Total	249,200	211,000	89,000	147,100	86,000	97,000	80,000		93,500	146,545	122,164	326,902	322,000	280,000

¹ Committed but not yet debited from the Trust Fund.