



UNITED  
NATIONS

EP

UNEP(DEPI)/MED BUR.85/5



UNITED NATIONS  
ENVIRONMENT PROGRAMME  
MEDITERRANEAN ACTION PLAN

16 March 2018  
Original: English

85<sup>th</sup> 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

Athens, Greece, 18-19 April 2018

**Agenda item 4: Report by the Secretariat on Financial and Administrative Issues**

**Report by the Secretariat on Financial and Administrative Issues**

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UNEP/MAP  
Athens, 2018

## I. FINANCIAL SITUATION AND PROPOSALS FOR 2018

1. As reported to COP 20, the Mediterranean Trust Fund (MTF) balance continued to be positive. The fund balance increased from USD 5.8 million<sup>1</sup> as at 31 December 2015 to USD 7.2 million<sup>2</sup> as at 31 December 2016 as per the audited and certified financial statement provided by UNEP Headquarters (HQ). These figures include the balance of previous year's budget which is expected to be expended in the following year. As at mid-March 2018, UNEP HQ are in the process of finalizing the 2016-2017 account and an interim financial statement has not yet been issued. It is expected that the interim statement will be provided in April/May 2018. The figures will be finalized when the interim UNEP financial statement is reviewed by the UN Auditors in mid-2018.

2. In accordance with paragraph 7 of COP 18 decision on the Programme of Work and Budget (Decision IG.21/17), a working capital reserve was established in July 2014 at the level of 15 percent of the annual expenditures. With the overall increase of the budget in 2016-2017 from the previous biennium and as decided at the 19<sup>th</sup> Meeting of the Contracting Parties (COP 19) held in Athens in February 2016, an additional EUR 25,000 was transferred to the reserve in the end of 2017, making the total of the reserve an equivalent of EUR 856,000. In USD the Working Capital Reserve has been increased from the level of USD 1.10 million in 2014-2015 to the level of USD 1.13 million in 2016-2017.

3. The fund balance of the host country account (CAL) increased from USD 403,273 as at 31 December 2015 to USD 952,324 as at 31 December 2016 as per the audited and certified financial statement provided by the UNEP HQ. 2016 fund balance includes the revenue from the host country contribution for the biennium 2016-2017 of USD 800,000. The fund balance also includes part of the 2016 rent to the National Research Institute which was only accounted in 2017, the deficit recovery for last three years, and some administrative costs temporarily charged to MEL in 2015 prior to the receipt of the host country contribution. Reimbursement of the administrative costs to MEL has been delayed due to the complication of the Umoja accounting procedure, and therefore, the equivalent amount of the CAL was used to off-set the amount borrowed from MEL in 2015 by charging staff costs to CAL in 2017.

4. The loan of USD 170,365 from UNEP HQ to the CAL account was fully repaid in December 2017, in accordance with the operational clause 5 of the Budget Decision (IG.22/20), "Welcomes the loan of USD 170,000 provided by UNEP HQs to ease the cash flow of the Host Government Contribution account and requests the Secretariat to reimburse it as soon as practical and to continue implementing the Host Government Contribution account recovery plan as adopted by COP 17."

5. The collection rate of assessed ordinary contributions to the Mediterranean Trust Fund has reached a high rate of 96.42% for 2017, as at the end of February 2018. The status of contributions as of 31 December 2017 is presented in Annex I. Two Contracting Parties (Israel and Montenegro) have already paid their 2018 contributions as of the end of February 2018; Israel paid its contribution based on the provisional invoice (or "notification" as defined by the Bureau) and Montenegro's contribution was an advanced payment, recorded as deferred income in 2017 and recognized as revenue in 2018. The collection rate of assessed ordinary contributions to the Mediterranean Trust Fund has reached 3.06% for 2018 as at end of February 2018.

6. The EU Discretionary Contribution for 2017 was received in May 2017. The Host Country contribution for 2017 was received in October 2017.

7. Preparation of the invoices for 2018 contributions as approved by COP 20 was initiated immediately after the COP and the invoices were dispatched by the HQ to the Contracting Parties at the beginning of March 2018. The Secretariat will resend the invoices to the Contracting Parties by

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<sup>1</sup> The figure is exclusive of unpaid pledges for 2016 and previous years recorded as income by the UNEP HQs as well as the balance set aside as working capital reserve.

<sup>2</sup> The figure is exclusive of unpaid pledges for 2017 and previous years recorded as income by the UNEP HQs as well as the balance set aside as working capital reserve.

end of March 2018. An invoice for the 2018 EU Discretionary Contribution was also prepared and sent out to the European Commission in March 2018.

8. As of February 2018, Syria and Libya are still in arrears for over 24 months. Egypt is in arrears with 2016 and 2017 contributions, Algeria and Lebanon are in arrears with 2017 and balance of 2016 contributions (see Annex I for more details). In light of the above, and in the case of Syria and Libya, the Secretariat has taken the actions described in the “Report by the Secretariat on Financial and Administrative Issues” presented to the 84<sup>th</sup> Bureau meeting (document UNEP(DEPI)/MED BUR.84/5) and will further follow-up on this regard, including with bilateral communication.

- a. State of Libya EUR 564,198 (arrears since 2011)
- b. Syrian Arab Republic EUR 94,472 (arrears since 2011)
- c. Egypt EUR 122,252 (arrears since 2016)
- d. Algeria EUR 84,125 (arrears since 2017 and balance 2016)
- e. Lebanon EUR 27,145 (arrears since 2017 and balance 2016)

9. In January 2018 intensive work was done by the Secretariat for the closure of 2017 accounts. MTF expenditure reports and of other projects were recorded in the books of accounts on time.

10. During COP 20 Italy pledged to contribute 2,015,000 million Euros in the biennium 2018-2019 for the implementation of key activities of the Programme of Work and Budget and 300,000 Euros to fund the Information and Communications Officer post for the biennium 2018-2019, in the context of the Memorandum of Understanding between UNEP and IMELS. During the period under reporting work has advanced to initiate the implementation of the agreed activities as indicated in the 2018-2019 PoW and budget and receive from Italy the respective external funding.

11. The preparation of seven Project Documents for the Coordinating Unit including the MED POL Programme and the RAC was initiated immediately after the COP to enable the implementation of the 2018-2019 PoW and make its Budget operational. The Project Documents are currently under review by UNEP HQ. The RACs will report on their expenditures on a 6-month basis. An update on the expenditures will be provided at the 86<sup>th</sup> Bureau meeting.

12. The Secretariat would like to bring to the attention of the Bureau that the programme support cost (PSC) income allocation for 2018 is estimated by the HQ at USD 410,674.

### **Proposed Recommendations:**

**(a) The Bureau notes with appreciation the high level of contributions received for the year 2017. It requests the Contracting Parties to pay their 2018 contributions and arrears as soon as possible.**

**(b) The Bureau takes note of the actions taken by the Secretariat for the cases of arrears for over 24 months and requests the Secretariat to continue its efforts to collect the arrears and report to the Bureau and to the Contracting Parties on the outcome of its actions.**

## **II. CONSULTANCY REPORTING**

13. Consultants were hired in line with the Programme of Work and Budget approved by COP 19. During January to December 2017, 34% of the consultancy was funded by the MTF/EU Discretionary funding as shown in the summary consultancy tables (Annex II).

### III. PERSONNEL MATTERS

14. The status of recruitment is summarized below:

P4 Programme Management Officer (MED POL) (Position No: 30600866): the post was advertised in the United Nations Careers Portal, Inspira, with a deadline for applications of 24 December 2017. The recruitment is underway.

P4 Administrative/Fund Management Officer (Position No: 30601050): the incumbent, Ms. Kumiko Yatagai, temporarily vacated the position effective 1 March 2018. The recruitment for the replacement in the interim is underway.

P3 Programme Management Officer (Monitoring) (Position No: 31002533): the post was advertised in Inspira with a deadline for applications of 14 September 2017. Ms. Jelena Knezevic was selected from the Inspira Roster for the position and it is expected to report for duty as of 1 May 2018.

P3 Communication and Information Officer (Position No: 30600867): the post is under classification and once this is finalized it will be advertised in Inspira.

P3 Programme Management Officer (Quality Status Report Expert): the creation of the post is to be initiated in the near future.

G6 Finance and Budget Assistant (Position No: 30606488): the post was advertised in Inspira with a deadline for applications of 1 July 2017. Ms. Georgia Stavaraki (Greek national) has been selected for the post.

### IV. OTHER MATTERS

15. The Secretariat was informed by the Host Country (Government of Greece) that the location identified to be used as possible premises to relocate the Secretariat from its current premises is no longer available. Discussions regarding identification of new adequate premises to relocate the Secretariat will continue.

**Annex I**  
**Status of 2017 and 2018 contributions as at 28/02/2018**

## Status of 2017 contributions as at 28/02/2018

Country	Unpaid Pledges for 2016 and Prior years	Pledges for 2017	Collections for 2017	Unpaid Pledges for 2017
	EUR	EUR	EUR	EUR
Albania	-	3,217	3,217	-
Algeria	19,379	64,746	-	64,746
Bosnia and Herzegovina	-	5,228	407	-
			4,821	-
Croatia	-	39,813	1,950	-
	-	-	37,863	-
Cyprus	-	17,292	17,292	-
Egypt	61,126	61,126	-	61,126
European Union	-	142,670	142,670	-
France	-	1,954,037	1,954,037	-
Greece	-	189,412	189,412	-
Israel	-	172,924	172,924	-
	-	-	-	(172,924)
Italy	-	1,507,250	1,507,250	-
Lebanon	8,646	18,499	-	18,499
Libya	513,930	50,268	-	50,268
Malta	-	6,434	6,434	-
Monaco	-	4,021	4,021	-
Montenegro	-	1,609	1,609	-
				(3,218)
				(48)
Morocco	-	21,716	21,716	-
Slovenia	-	33,780	33,780	-
Spain	-	982,447	2,969	-
	-		979,478	-
Syrian Arab Republic	84,820	9,652	-	9,652
Tunisia	-	11,260	11,260	-
Turkey	-	409,387	409,387	-
<b>TOTAL</b>	<b>687,901</b>	<b>5,706,788</b>	<b>5,502,497</b>	<b>28,101</b>

\*\*

96.42%

## Additional Contributions for 2017, for information only

	Expected contribution	Received contribution
European Commission	596,484	596,484

	Expected contribution	Received contribution
Greece	378,000	359,809

\*

\* Difference due to exchange rates fluctuations.

\*\*The Contribution of Tunisia for 2017 was received in January 2018.

## Status of 2018 contributions as at 28/02/2018

Country	Unpaid Pledges for 2017 and Prior years	Pledges for 2018	Collections for 2018	Unpaid Pledges for 2018
	EUR	EUR	EUR	EUR
Albania	-	3,217		3,217
Algeria	84,125	64,746		64,746
Bosnia and Herzegovina	-	5,228		5,228
Croatia	-	39,813		39,813
Cyprus	-	17,292		17,292
Egypt	122,252	61,126		61,126
European Union	-	142,670		142,670
France	-	1,954,037		1,954,037
Greece	-	189,412		189,412
Israel		172,924	172,924	-
Italy	-	1,507,250		1,507,250
Lebanon	27,145	18,499		18,499
Libya	564,198	50,268		50,268
Malta	-	6,434		6,434
Monaco	-	4,021		4,021
Montenegro		1,609	1,609	(1,657)
Morocco	-	21,716		21,716
Slovenia	-	33,780		33,780
Spain	-	982,447		982,447
Syrian Arab Republic	94,472	9,652		9,652
Tunisia	-	11,260		11,260
Turkey	-	409,387		409,387
<b>T O T A L</b>	<b>892,192</b>	<b>5,706,788</b>	<b>174,533</b>	<b>5,530,598</b>

\*  
3.06%

## Additional Contributions for 2018, for information only

	Expected contribution	Received contribution
European Commission	596,484	
Greece	367,200	

\*The Contribution of Tunisia for 2017 was received in January 2018.

**Annex II**  
**Table of Consultancy Costs**



<b>Consultancy costs between 1 January - 31 December 2017 (in EUR)</b>		
<b>Component</b>	<b>Description</b>	<b>Jan to Dec</b>
<b>C.Unit</b>	Med Trust Fund/EU Discretionary	45,000
	Other funding	152,051
	<b>Sub-total</b>	<b>197,051</b>
<b>MEDPOL</b>	Med Trust Fund/EU Discretionary	106,037
	Other funding	311,420
	<b>Sub-total</b>	<b>417,457</b>
<b>BP</b>	Med Trust Fund/EU Discretionary	22,100
	Other funding	105,540
	<b>Sub-total</b>	<b>127,640</b>
<b>PAP</b>	Med Trust Fund/EU Discretionary	148,405
	Other funding	165,522
	<b>Sub-total</b>	<b>313,927</b>
<b>REMPEC</b>	Med Trust Fund/EU Discretionary	120,162
	Other funding	9,935
	<b>Sub-total</b>	<b>130,097</b>
<b>SPA</b>	Med Trust Fund/EU Discretionary	34,853
	Other funding	89,455
	<b>Sub-total</b>	<b>124,308</b>
<b>SCP</b>	Med Trust Fund/EU Discretionary	0
	Other funding	86,761
	<b>Sub-total</b>	<b>86,761</b>
<b>Total</b>	Med Trust Fund/EU Discretionary	476,557
	Other funding	920,683
	<b>Grand Total (in EUR)</b>	<b>1,397,240</b>
	<b>Percentage MTF/EU over total</b>	<b>0.34</b>

\*The UN exchange rate of 1 USD = 0.945 EUR is applied for the contracts in USD.

For other currencies the exchange rate effective on 1 December 2017 is applied.

\*\* Vendors and Implementing Partners are included under some Components.