



United Nations Environment Programme



UNEP/BUR/76/Inf.4
01 February 2013

ENGLISH



MEDITERRANEAN ACTION PLAN

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

Algiers, Algeria, 26-28 February 2013

Report of Extended Functional review of the United Nations Environment Programme / Mediterranean Action Plan (UNEP/MAP) System

FUNCTIONAL REVIEW OF THE UNITED NATIONS ENVIRONMENT PROGRAMME / MEDITERRANEAN ACTION PLAN (UNEP/MAP) SYSTEM

DRAFT

FINAL DRAFT REPORT

JANUARY, 2013



Abbreviations and acronyms

BP/RAC	Blue Plan Regional Activity Centre, Sophia-Antipolis (France)
CAMP	Coastal Area Management Plan
CBD	Convention on Biological Diversity
CEDARE	Centre for Environment and Development for Arab region and Europe
CSD	Commission on Sustainable Development
CoE	Council of Europe
COP	Conference of the Parties
COBSEA	Coordinating Body on the Seas of East Asia
CP	Contracting Party
CU	MAP Co-ordination Unit, Athens (Greece)
DG	Director(ate) General
ECAP	Ecosystem Approach
ECP	Executive Coordination Panel
EIB	European Investment Bank
EMSA	European Maritime Safety Agency
EU	European Union
EMP	Euro-Mediterranean Partnership
ENP	European Neighbourhood Policy
FAO	Food and Agriculture Organisation, United Nations
FFEM	Fond Français pour l'Environnement Mondial
FP	Focal Point
GEF	Global Environment Facility
HELCOM	Helsinki Commission
H2020	Horizon 2020
ICAM	Integrated Coastal Area Management
ICOMOS	International Council on Monuments and Sites

ICRAM	Italian Central Institute for Applied Marine Research
ICT	Information and Communication Technology
ICZM	Integrated Coastal Zone Management
IGO	Intergovernmental Organisation
IMO	International Maritime Organisation
IMCO	Inter-Governmental Maritime Consultative Organisation
INFO/RAC	Regional Activity Centre for Information and Communication, Italy
ISPRA	Italian Institute for Environmental Protection and Research
IUCN	International Union for Conservation of Nature
LBS Protocol	Protocol for the Protection of the Mediterranean Sea against Pollution from Land-Based Sources and Activities
MAP (CU)	Mediterranean Action Plan (Coordinating Unit)
MCSD	Mediterranean Commission on Sustainable Development
MEDA	Mediterranean Aid (financial instrument of the EU)
MED POL	Mediterranean Pollution Monitoring and Research Programme
MedWet	The Mediterranean Wetlands Initiative, Convention on Wetlands
METAP	Mediterranean Environmental Technical Assistance Programme
MDGs	Millennium Development Goals (UN)
MFPs	MAP Focal Points in the Contracting Parties
MIO-ECFESD	Mediterranean Information Office for Environment, Culture and Sustainable Development (NGO umbrella organisation)
MISEDSD	Mediterranean Information System on Environment and Sustainable Development
MoC	Memorandum of Cooperation
MoU	Memorandum of Understanding
MSSD	Mediterranean Strategy on Sustainable Development
MTF	Multilateral Trust Fund
NGO	Non-governmental organisation
NORAD	Norwegian Agency for Development Cooperation

OECD	Organisation for Economic Cooperation and Development
PAME	Protection of the Arctic Marine Environment Working Programme
PAP/RAC	Priority Actions Programme Regional Activity Centre, Split (Croatia)
PoW	Programme of Work
PRTR	Pollutant Release and Transfer Register
RAC	Regional Activity Centre
RAC/SPA	Specially-Protected Areas Regional Activity Centre, Tunis (Tunisia)
RCU	Regional Coordination Unit
REMPEC	Regional Marine Pollution Emergency Response Centre (for the Mediterranean Sea), Malta
ROCC	Regional Oil Combating Centre
RSP	Regional Seas Programme
SAP/BIO	Strategic Action Plan for Biological Diversity in the Mediterranean Region
SAP/MED	Strategic Action Programme to Address Pollution from Land-Based Activities in the Mediterranean Region
SCP	Sustainable Consumption and Production
SEIS	Shared Environmental Information System
SIDA	Swedish International Development Corporation Agency
SMAP	Short and Medium-term Priority Action Programme
SPA	Specially Protected Area
SPA/RAC	Specially Protected Areas Regional Activity Centre, Tunisia
SPAMI	Specially Protected Areas of Mediterranean Interest
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational Scientific and Cultural Organisation
UNOIOS	United Nations Office of Internal Oversight Services
WB	World Bank

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EXECUTIVE SUMMARY

At the 17th Conference of the Parties to the Barcelona Convention in Paris, France, on 8-10 February 2012, Contracting Parties called on the UNEP/MAP Secretariat to undertake a functional review of the UNEP MAP Components. In response, UNEP commissioned Dalberg Global Development Advisors to carry out the review.

The present report contains the key recommendations and the underpinning findings that were generated from:

- Missions carried out to the six MAP Regional Activity Centres (RACs);
- Results from the questionnaires sent to UNEP MAP focal points;
- Insights generated from interviews with Bureau members, RSP directors, key stakeholders and UN officials;
- Results from the benchmarking of selected regional seas programmes (RSPs); and
- Feedback from the review contact group, from regular communication as well as a full day meeting on December 7, 2012 in Brussels, Belgium.

The objectives of the current extended functional review include the following:

- Improve the overall performance and operational efficiencies of UNEP MAP. This will be achieved by providing an operational tool to adapt the MAP to the Contracting Parties' substantive and managerial demands (by, *inter alia*, rebalancing the ratio between staffing and activities considering all available resources including the Multilateral Trust Fund (MTF);
- Redress gaps and misalignments in unit responsibilities, job descriptions, reporting lines, and overall performance;
- Apply best practices from other RSPs, notably their institutional frameworks and governance arrangements;
- Build upon the credibility and positive image of the Components, thus contributing to the overall public standing, legitimacy, and credibility of MAP; and
- Build on the important work of other previous MAP evaluations.

It is important to emphasize that the current review is an extension of the functional review that was carried out in 2010. The 2010 review focused primarily on the two units administered by UNEP i.e. MAP Coordinating Unit (CU) and Mediterranean Pollution Monitoring and Research Programme (MEDPOL).

Important accomplishments to date

UNEP MAP has played an instrumental role in controlling pollution of the Mediterranean Sea. It has been key in elevating environmental issues on the political agenda, encouraging the adoption of environmental legislation and regulations, and providing assistance for capacity-building in environmental protection in the region.

One of UNEP MAP's most important comparative advantages however is the fact that it is the only environmental governance framework for states in the Mediterranean region. As such it is highly regarded as an important forum for the equitable participation by the Mediterranean countries. The

Barcelona Convention and its protocols embed the MAP system in a framework of legally binding commitments that are very carefully calibrated and tailored to the unique community of interests in the region.

Key challenges for UNEP MAP

However, despite the efforts of UNEP MAP over the last 35 years, the Mediterranean environment has continued to deteriorate. This is due largely to the fact that development activities have not adhered to the principles of sustainable development. Indeed, the continuing unsustainable use of natural resources combined with the worsening political instability of certain parts of the region, urgently require a strengthened MAP. This is particularly relevant for the Regional Activity Centres (RACs), which have underpinned MAP with a diverse array of substantive expertise.

As explained in more detail in this report, the RACs continue to operate on the basis of highly individual agendas. This often leads to intense competition between Multilateral Trust Fund (MTF) and external resources, not to mention duplication of activities, which could otherwise be better synergized. MAP has provided a strong and efficient framework for regional cooperation for the protection of the marine environment and promotion of sustainable development.

The current functional review presents an important opportunity to revisit existing structures in order to adapt MAP to present-day challenges and to add fresh impetus to the efforts of Mediterranean countries so they may achieve their common goals of sustainable resource management.

Summary of key findings

1. Delivery capacity needs to be strengthened - While some activities are recognized for their contribution to the Barcelona Convention, the system as a whole is perceived as lacking sufficient capacity to deliver. The worsening ecological decline of the Mediterranean points to the need for MAP to improve the operationalization of the key priorities outlined in the Five-year Programme of Work (PoW) and to deepen its work on those issues that have not been sufficiently addressed in the last five years.

2. Unclear business model - At the core of UNEP/MAP's weaknesses is an unclear business model. The day-to-day challenges faced by the entire MAP system are due in a large part to the lack of clarity regarding the fundamental model, which should underpin the system. The system is currently operating a mix of four different categories of activities:

- **Secretariat to the Convention**, including monitoring, evaluation, compliance and basic support (tools and methodologies) to countries for the implementation of the Convention and the Protocols;
- **Implementer of the Protocols**, including technical assistance at the request of countries and sometimes cofounded by those countries, for the purpose of implementation of the Barcelona Convention and its Protocols;
- **Project manager for sustainable development of the Mediterranean**, including projects that may indirectly contribute to the implementation of the Protocols but not directly;

- **Think tank on sustainable development of the Mediterranean**, including research on topics of interest for sustainable development that may indirectly contribute to the implementation of the Convention and its Protocols but not directly.

The business models for delivery of each of these categories of activities are different in terms of approach, capacity and funding. At the moment, the system applies one model to each of these four categories which is the root cause of many of the issues identified.

3. Lack of cohesiveness within the system - The unclear business model has undermined cohesion within the system. The system is currently characterized by a high degree of fragmentation between the Barcelona Convention, its Protocols, MSSD, the regional action plans, GEF projects, EU- funded and other projects (that do not always align with MAP priorities), not to mention a growing number of RAC-led country-specific projects that draw away from UNEP MAP's specific mandate for regional action. The system will continue to weaken unless efforts are made to ensure greater cohesiveness and cooperation among the constellation of MAP actors.

4. RAC coordination and cooperation remains a key challenge - There are significant efficiency gains that can be achieved with improved coordination and synergies between the RACs. However, the RACs continue to operate on the basis of highly individual agendas. This often leads to intense competition of both MTF and external resources, not to mention duplication of activities, which could otherwise be better synergized. As well, the RACs do not have the same legal status, rules and regulations, nor compensation levels. The difficulties posed by these differences were first noted in the 2008 Governance Paper and continue to be a source of frustration.

5. The importance of articulating strategic priorities - UNEP/MAP is about to embark on a new five-year planning process in a period of resource constraints. Therefore, it is particularly important that balance be struck between strengthening its focus on current priority areas to ensure full implementation and allowing enough flexibility to address new and emerging issues. Indeed, the activities that ensure the highest protection of the marine environment and the coastal region of the Mediterranean Sea should be better prioritized on the basis of existing legal obligations of the Contracting Parties in the framework of the Barcelona Convention and its Protocols. Contracting Parties should be encouraged to accelerate the implementation of the commitments of the Barcelona Convention, its protocols, and the Mediterranean Strategy for Sustainable Development. The Ecosystem Approach (ECAP) provides a new conceptual framework within which UNEP MAP can enhance the integration of these core priority areas.

6. The importance of building synergies with external partners - Since UNEP MAP was established, the institutional landscape in the region has changed considerably. There are countless new bodies and mechanisms that deal with the Mediterranean and its environmental challenges, such as the Union for the Mediterranean, EU Horizon 2020, the Strategic Partnership for the Large Marine Ecosystem, the EU Maritime Spatial Planning Initiative, the Mediterranean component of the EU Water Initiative, and the Strategy for Water in the Mediterranean. Against this complex institutional landscape, it will be important to find ways to further improve synergies and strengthen cooperation with all of the regional bodies, MAP components, governments, and civil society.

Solutions for a sustainable MAP System

The extended functional review has highlighted many areas where improvements can be made to increase efficiency and effectiveness of the system. Recognizing that many of these issues are in fact symptoms of a more fundamental issue i.e. the absence of a clear and consistent business model, this report focuses on precisely that question. The underlying vision for the UNEP MAP system is that of an organization that invests its resources where it achieves the most impact and is flexible to respond to changes in priorities.

There are multiple potential paths for the UNEP MAP system to achieve sustainability. The terms of reference specifically called for extending the functional review conducted in 2010, focusing on cost reduction to achieve financial sustainability. As a result of the work, the review team identified and evaluated two additional options that focus on more fundamental changes to the system. Section 6 describes the following models and their implications in more detail:

- Option 1: Cost reduction – Focuses on reducing costs to achieve financial sustainability of the system given the current funding reality.
- Option 2: Scalable system – Introduces the concept of core and scalable activities allocated through different processes.
- Option 3: Fund manager – Severs direct ties between UNEP MAP and the RACs and introduces fund manager / grantee relationship.

The recommended option going forward for the MAP system is option 2. A scalable system will allow Contracting Parties to distinguish between that which is minimally required to maintain the Barcelona Convention and its protocols and that which is scalable and can follow the availability of funding.

The report also provides a detailed implementation plan with actions proposed for three horizons:

- **The immediate future** - actions that are not subject to and can be undertaken prior to a decision by the Contracting Parties in 2013;
- **Post decision year 1** - actions to be taken in the first year after the decision by the Contracting Parties. At the end of year 1, the Coordinating Unit will produce a progress report and self evaluation;
- **Post decision year 2** – actions to be taken pending successful completion of year 1 in the second year after the decision of the Contracting Parties. At the end of year 2, the Contracting Parties will oversee an independent evaluation of the changes.

1. INTRODUCTION

The present report contains the findings and recommendations resulting from the extended functional review. The details on the methodology followed and the data collection tools have been included in **Annex A: Methodology**, and **Annex B: Data collection tools**.

Section 1 contains the introduction to the report.

Section 2 provides the background to the extended functional review, including a brief history of the MAP system, overview of key milestones related to UNEP MAP reform.

Section 3 describes the Mediterranean context, notably the substantive and governance challenges presented by recent events in the region.

The substantive findings are contained in *Section 4*, which is divided into two main sections, the first containing the findings related to the MAP system as a whole and the second which contains a summary of the findings that pertain specifically to the RACs. The detailed overviews of each RAC are contained in **Annex C – RAC Overviews**. The RAC-related findings are organized around: strategic priorities; organizational model; financial resources; and governance.

Section 5 provides a synthesis of the results of the benchmarking of selected regional seas programmes, in terms of their governance, strategic priorities, organizational models, and funding arrangements.

Section 6 presents the review of the three different options to put UNEP MAP on a more sustainable footing: Option 1 - cost reduction; Option 2 - scalable system; and Option 3 – fund manager, and the recommended option for the system going forward.

Section 7 contains the implementation plan for the recommended option.

2. BACKGROUND

2.1. INTRODUCTION TO THE EXTENDED FUNCTIONAL REVIEW

After a period of tactical changes, the extended functional review will propose the necessary changes to upgrade the system to respond to the requests by the Contracting Parties of the Barcelona Convention to strengthen the overall MAP system. This has been reiterated by the United Nations Office of Internal Oversight Services (UNOIOS) recommendations to UNEP MAP in their 2009 Audit Report.

The additional aims of the current extended functional review include the following:

1. Improve the overall performance and operational efficiencies of UNEP MAP. This will be achieved by providing an operational tool to adapt the MAP to the Contracting Parties' substantive and managerial demands (by, *inter alia*, rebalancing the ratio between staffing and activities considering all available resources including the Multilateral Trust Fund (MTF);
2. Redress gaps and misalignments in unit responsibilities, job descriptions, reporting lines, and overall performance;
3. Apply best practices from other RSPs, notably their institutional frameworks and governance arrangements;
4. Build upon the credibility and positive image of the Components thus contributing to the overall public standing, legitimacy, and credibility of MAP; and
5. Build on the important work of other previous MAP evaluations.

2.2. HISTORY OF UNEP MAP SYSTEM

UNEP MAP's overarching priorities are to address the challenges of "environmental degradation in the sea, coastal areas and inland, and to link sustainable resource management with development, in order to protect the Mediterranean region and contribute to an improved Mediterranean quality of life". Its current Five-year Programme of Work (PoW) addresses six themes: governance; integrated coastal zone management (ICZM); biodiversity; pollution prevention and control; sustainable production and consumption; and climate change.

In 1975, under the auspices of UNEP, 16 Mediterranean countries and the European Community adopted the MAP, the first of UNEP's regional seas programmes. In 1976, the Parties adopted the Convention for the Protection of the Mediterranean Sea Against Pollution (the Barcelona Convention). Although MAP's initial focus was on marine pollution control, over the years its mandate has gradually widened to include biodiversity and integrated coastal zone planning and management issues.

In addition to the Convention, the MAP legal framework is comprised of seven protocols addressing specific aspects of Mediterranean environmental conservation:

- Dumping Protocol (from ships and aircraft)
- Prevention and Emergency Protocol (pollution from ships and emergency situations)
- Land-based Sources and Activities Protocol
- Specially Protected Areas (SPA) and Biological Diversity Protocol
- Offshore Protocol (pollution from exploration and exploitation)

- Hazardous Wastes Protocol
- Protocol on ICZM, decisions on sustainable development, and the Ecosystem Approach

In 1995, the Action Plan was revised and the Barcelona Convention partially amended and renamed “Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean”. There are 22 Contracting Parties to the Convention, including the European Union (EU).

2.3. HISTORY OF IMPORTANT MILESTONES RELATED TO UNEP MAP REFORM

1975

Adoption of UNEP MAP.

1976

Adoption of Convention for the Protection of the Mediterranean Sea Against Pollution (the Barcelona Convention).

1995

Adoption of MAP Phase II by the Contracting Parties to replace the Mediterranean Action Plan of 1975. The Barcelona Convention is partially amended and renamed “Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean”.

2005

Adoption by the Contracting Parties of the Mediterranean Strategy on Sustainable Development (MSSD).

2008

Adoption by the COP of the Ecosystem Approach (COP-15 in Almeria) and of the Governance Decision (referring to the overall MAP governance system including CU and Focal Points).

2009

Adoption of UNEP MAP COP Five-year POW (2010-2014) and Decision on the mandates of the MAP Components.

2009

Audit Report by UNOIOS.

2010

Functional review of UNEP MAP CU and Medpol.

2011

Audit Report by UNOIOS and adoption of UNEP MAP – Barcelona Convention of the POW and Budget (2012-2013), the 11 Ecological Objectives to be reached under the Ecosystems Approach and the resource mobilization and fundraising as well as communication strategies.

2012

Extended functional review of UNEP MAP Components.

3. THE MEDITERRANEAN CONTEXT

3.1. CRISIS AND OPPORTUNITY

The Mediterranean is facing a period of economic, ecological, and political challenges. The global and regional political, social, and economic developments of 2011 have been particularly difficult for the Mediterranean region as a whole and, more specifically, for the governance of natural resources in the Mediterranean region. Notably, the current radical process of change in the Mediterranean region has been accompanied by growing environmental fragility due to coastal urban sprawl, overfishing, problems associated with the movement of large vessels, and deep-water oil drilling. Environmental recovery will only be possible if economic and social needs can be harmonized with environmental protection imperatives.

At the same time the unprecedented political changes in the Mediterranean and the global economic crisis have created new opportunities and challenges, requiring stronger cooperation and innovative approaches to sustainable development in the region. At a time when so many Mediterranean countries are experiencing political, social, and economic challenges, the opportunities to reaffirm and work towards common goals in the region have become even more important.

3.2. PROGRESS BUT CHALLENGES REMAIN

UNEP MAP has played an instrumental role in controlling pollution of the Mediterranean. The Barcelona Convention and its related processes have provided an important forum for the equitable participation by the Mediterranean countries. They have also elevated environmental issues on the political agenda, encouraged the adoption of environmental legislation and regulations, and have encouraged and provided assistance for capacity-building in dealing with environmental protection in the region.

Despite the efforts of the MAP over the last 35 years (i.e. anchoring the implementation of the Convention and its protocols within a solid and integrated strategy), the Mediterranean environment has continued to deteriorate. This is due largely to the fact that development activities have not adhered to the principles of sustainable development. Indeed, the continuing unsustainable use of natural resources combined with the worsening political instability of certain parts of the region, urgently require a strengthened MAP.

At the same time, it is imperative that countries work together to create win-win scenarios for the management of natural resources and environmental protection in the region. MAP has a crucial role to play in this regard, but only if the entire MAP system is reviewed to ensure more efficient and effective resource management.

3.3. THE FINANCIAL DIFFICULTIES FACED BY UNEP MAP

Against the backdrop of the crisis in the Mediterranean, the Convention was undergoing financial difficulties as highlighted by the 2009 audit report. In response, the Executive Director of UNEP has been working closely with the Barcelona Secretariat to initiate and implement a recovery plan. The Parties at COP-17 adopted a decision that commits the Contracting Parties to

“recover the deficit and to ensure the continued regular functioning of MAP”. At COP-17 it was further emphasized that UNEP MAP’s financial and administrative sustainability necessitated a review of the overall structure and functioning of MAP, its governance, its relation with UNEP, and possibilities for resources mobilization.

To that end, measures have been taken to strengthen fund management and ensure the efficient delivery of the Five-year POW. The MAP should make optimum use of its resources in addressing core activities while reducing administrative overheads. The Contracting Parties should not be expected to increase their contributions to the MTF. Instead, the MAP will look to cost reduction measures until a healthy financial situation is restored.

In the meantime, in accordance with COP-17, UNEP MAP continues to focus on the core business of delivering on its Five-year POW, broadening partnerships with key actors, and completing institutional reform. The financial situation has prompted it to review and reform the overall MAP system; set new priorities; and improve its governance approaches, its relationship with UNEP, and possibilities for resources mobilization.

3.4. THE IMPORTANCE OF BUILDING SYNERGIES

Since UNEP MAP was established over 30 years ago, the institutional landscape in the region has changed considerably. There are countless new initiatives and programmes that deal with the Mediterranean and its environmental challenges, such as the Union for the Mediterranean, the EU Horizon 2020, the Strategic Partnership for the Large Marine Ecosystem, the EU Maritime Spatial Planning Initiative, the Mediterranean component of the EU Water Initiative, and the Strategy for Water in the Mediterranean.

Against this complex institutional landscape, it will be important to find further ways to improve synergies and strengthen cooperation with all of the regional bodies and mechanisms, MAP components, governments, and civil society. MAP must work with all of these initiatives while at the same time avoid duplication of responsibilities and competencies. The Paris Declaration that was adopted at COP-17 emphasized the importance of reinforcing cooperation between all key actors in the Mediterranean, notably Secretariats of the Union for the Mediterranean, the General Fisheries Commission for the Mediterranean, the Convention on Biological Diversity (CBD), the International Maritime Organisation (IMO), International Union for Conservation of Nature (IUCN), and the other regional seas conventions and programmes. It is clear that common objectives in improving the management of the Mediterranean’s resources will best be achieved when linkages and synergies are strengthened among the various Mediterranean initiatives, together with the Mediterranean key stakeholders.

3.5. THE GOVERNANCE CHALLENGES FOR UNEP MAP

As noted by Parties at COP-17, work has also progressed in strengthening the MAP in accordance with governance reforms adopted in 2008, including proposals to standardize host country agreements that regulate the Regional Activity Centres (RACs) in order to ensure greater transparency and more solid resource mobilization and communications strategies. MAP has also begun to establish synergies with other bodies and organisations, as well as regional neighbours and global partners.

However, it is time to revisit existing structures in order to adapt MAP to present day challenges and to add fresh impetus to the efforts of the Mediterranean countries in order to achieve their common goals. Enhanced governance of the whole Barcelona Convention structure is needed alongside appropriate measures to ensure greater transparency and accountability in the UNEP MAP system.

Only by improving its governance will the MAP be able to build on the progress made and ensure that it plays a leading role in future efforts to protect the Mediterranean environment.

Specifically, the various MAP components must be governed by a set of common principles while maintaining their unique characteristics and flexibility. As well, the CU should be empowered so that it can allocate resources effectively and ensure the coherent implementation of the work programme, in which greater focus should be on strategic vision and prioritization.

Close cooperation and a coordinated and comprehensive regional approach to environmental protection are vital now more than ever. This will require a greater commitment to good governance and the establishment of efficient budgetary monitoring mechanisms.

It should be emphasized that this extended functional review is not a governance review per se. However, in the course of the functional review, attention was directed to the governance adjustments that may be necessary to improve the overall functioning of the Components and the MAP as a whole.

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4. FUNCTIONING OF THE SYSTEM

4.1. UNEP MAP SYSTEM

4.1.1. OVERVIEW OF THE UNEP MAP STRUCTURE

The UNEP MAP system is governed by the Conference of the Parties, which meets every two years. The 22 Contracting Parties to the Convention include: Albania, Algeria, Bosnia and Herzegovina, Croatia, Cyprus, Egypt, the European Community, France, Greece, Israel, Italy, Lebanon, Libya, Malta, Monaco, Montenegro, Morocco, Slovenia, Spain, Syria, Tunisia, and Turkey.

The Contracting Parties decide on MAP strategies, budgets, and programmes. A rotating Bureau of six representatives of the Contracting Parties guides and advises the MAP Secretariat during the inter-sessional period. Focal Points (FPs) are appointed by the Contracting Parties to review substantive progress and implementation at the national level.

The MAP CU is the Secretariat of the Mediterranean Action Plan. It performs diplomatic, political, and communications roles, supervising the main MAP components (i.e. the Regional Activity Centres) and organizes major meetings and programmes.

There are six RACs that are based in Mediterranean countries, each offering its own environmental and developmental expertise for the benefit of the Mediterranean community in the implementation of MAP activities. Contracting Parties have also appointed FPs for each of the RACs.

The Programme for the Assessment and Control of Marine Pollution in the Mediterranean Region (MED POL) is responsible for the implementation of the Land-Based Sources, Dumping, and Hazardous Wastes Protocols. MED POL assists Mediterranean countries in the formulation and implementation of pollution monitoring programmes, including pollution control measures and the drafting of action plans aiming to eliminate pollution from land-based sources.

In addition, The Mediterranean Commission on Sustainable Development (MCSD) is an advisory body to the Contracting Parties. It is composed of representatives of the 22 Contracting Parties as well as 15 rotating representatives from local authorities, business community, and NGOs, forming, on equal footing, a think-tank on policies for promoting sustainable development in the Mediterranean Basin. The MCSD coordinated the preparation of the MSSD, which was adopted by the Contracting Parties in 2005.

4.1.2. STRENGTHS AND WEAKNESSES WITH THE CURRENT MAP STRUCTURE

One of the options that was considered for the original design of UNEP MAP was to concentrate all functions in one location, with separate departments for biodiversity, pollution, and climate change co-located in the CU. In this model of centralized governance, the CU would have been empowered with a much more centralized role. Countries were

averse to this model for several reasons, particularly the high level for UN salaries. Instead, countries preferred a secretariat with a reduced role, with only MED POL co-located within it. All other functions were to be carried out by national or regional activity centres.

The system of a central CU administered by UNEP, with RACs carrying out the delivery of key activities, brings together a unique skill set in a system that has the neutrality of the UN with more flexibility and a lower cost. However, at the same time, as the ties between the RACs and the CU are not always clear, the system is difficult to govern and manage. The main concern is that the system is currently characterized by a high degree of fragmentation between the Barcelona Convention, its protocols, the MSSD, the regional action plans, Global Environment Facility (GEF) projects, EU-funded projects (that do not always align with MAP priorities), not to mention a growing number of RAC-led country-specific projects that draw away from UNEP MAP's specific focus on regional-level activities. This institutional fragmentation has undermined the cohesiveness of MAP programming, which in turn contributes to "mission drift".

The table below includes the main components of the UNEP MAP system and their respective statuses.

Table 1: Overview of UNEP MAP Components

Component	Legal status	Governance	Comments
BP/RAC	Not for profit	Independent Board & COP	Hosting agreement currently pending
CP/RAC	Hosted by the Catalan Waste Agency	Spanish and Catalan Region Governments & COP	Hosting agreement currently pending
INFO/RAC	Hosted by the Italian Government's Italian Institute for Environmental Protection and Research	Italian Government and COP	Hosting agreement currently pending
MEDPOL/CU	UN	UNEP and Contracting Parties	
PAP/RAC	Public Institution	Steering Committee & Contracting Parties	Hosting agreement in place with new agreement pending
RAC/SPA	Public Institution	Steering Committee & Contracting Parties	Hosting agreement in place with new agreement pending
REMPEC	UN	IMO & Contracting Parties	IMO administered

The RACs and their respective expert networks are a real asset for UNEP MAP. These have underpinned MAP with a unique source of substantive expertise on most thematic priorities of the Five-year POW. Expertise is particularly pronounced as regards issue areas such as ICZM and pollution prevention, biodiversity, and sustainable consumption and production.

The one area that falls short is climate change mitigation and adaptation. With its current capacity and expertise, concerns have been raised that the UNEP MAP system is not equipped to play a leading role on climate change issues in the Mediterranean. This is particularly the case in light of the fact that climate change mitigation and adaptation issues are served by other regimes, such as the UN Framework Convention for Climate Change. On

the other hand, however, climate change is a driver of environmental destruction in the Mediterranean and will be more so in the future. Analyses of the cumulative effects refer to it as the most important driver and that key impacts, such as the increasing acidification of the Mediterranean Sea, biodiversity loss, and coastal adaptation, should in fact be elevated on the MAP agenda, perhaps as horizontal issues.

The figure below includes the total direct expertise in the system, including functions that are not funded from the MTF or voluntary contribution from the EC. The analysis shows that the RACs are mostly focused on one theme, with the exception of BP/RAC, which has expertise across the major areas.

Figure 2: Cumulative capacity by priority theme (100% is one Full Time Equivalent)

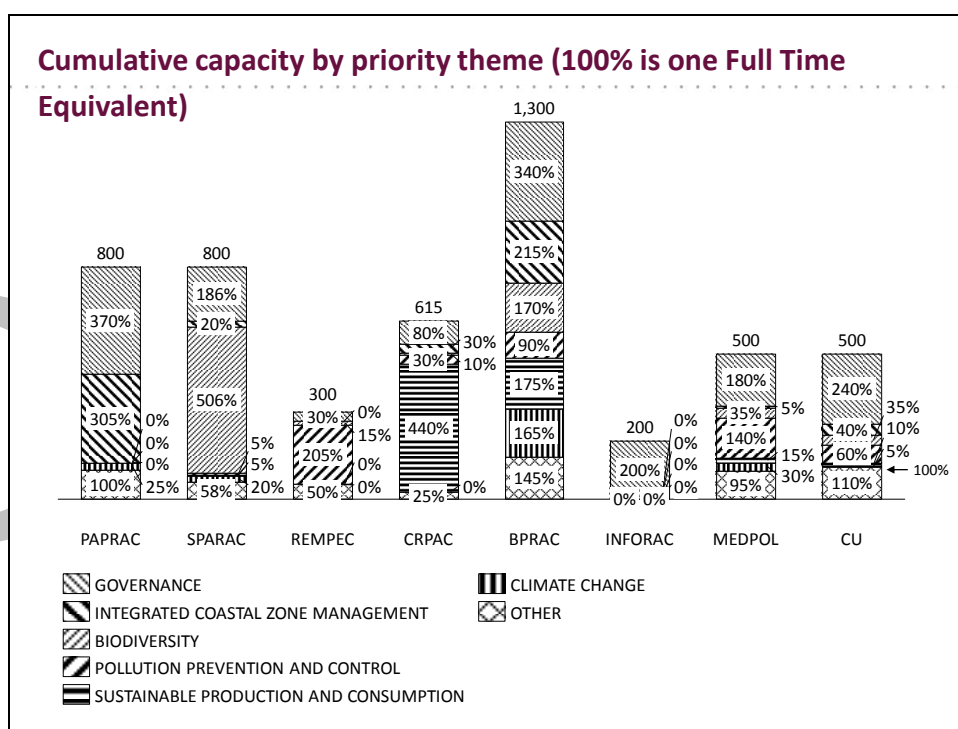
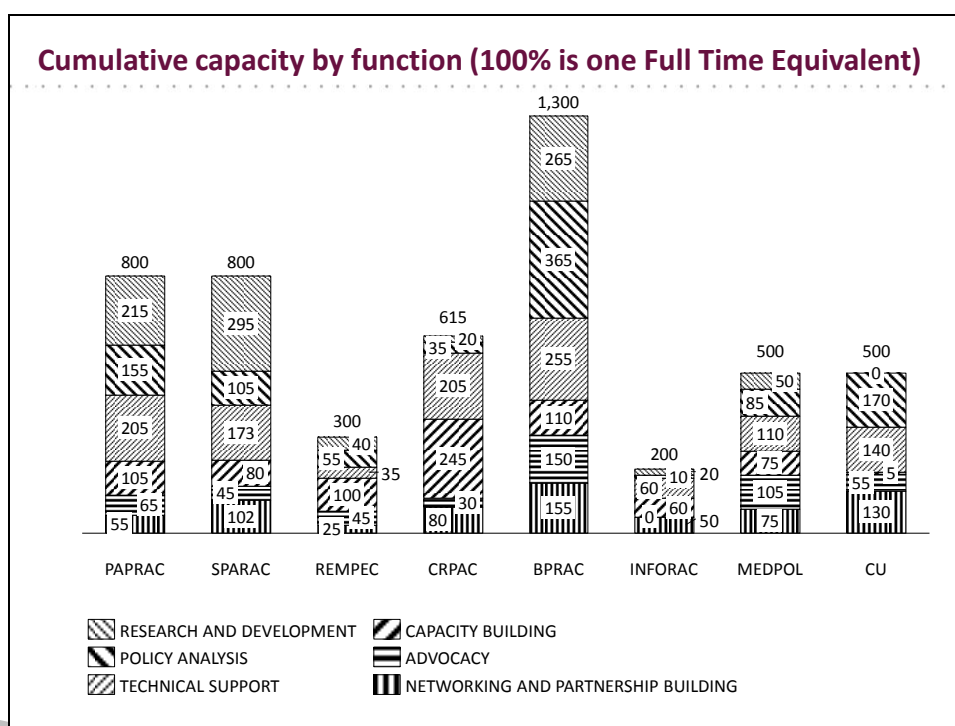


Figure 3: Cumulative capacity by function (100% is one FTE)



4.1.3. SUBSTANTIVE ACHIEVEMENTS

Implementation of the Barcelona Convention

UNEP MAP has played an instrumental role in promoting the implementation of the Barcelona Convention. It has supported the Contracting Parties with tools, methodologies, technical assistance, capacity building and research, and longstanding pollution monitoring programmes, coupled with a diversified network of RACs, which support the Parties with their substantive expertise.

Forum for equitable participation of states

As the main environmental governance regime in the region, UNEP MAP has provided an important forum for the equitable participation of all the countries in the Mediterranean. Indeed, UNEP MAP has succeeded in uniting a diverse array of countries in creating durable solutions for the intensifying environment and development challenges, which are threatening a unique and complex ecosystem.

This is no small feat, considering that the region is one of the most diverse in the world, unlike any other. It lies at the crossroads of three continents and has the highest concentration of ancient history. However, as the number one tourism destination in the world, increasing human pressures have led to the destruction of much of the Mediterranean coastline, while inland, many ancient pastoral regimes are being abandoned because of reduced economic viability.

And yet, despite an intensifying backdrop of political and economic difficulties, the Contracting Parties continue to endeavour to implement their commitments under the UNEP MAP system.

Specific achievements

As of 2012, some of UNEP MAP's specific accomplishments included the following:

- Today, MAP involves 21 countries, as well as the European Community, who are determined to address the challenges of environmental degradation in the sea, coastal areas, and inland, as well as to link sustainable resource management with development to protect the Mediterranean. The Barcelona Convention has given rise to seven protocols addressing specific aspects of Mediterranean environmental conservation (i.e. Dumping, Prevention and Emergency Control, Land-based Sources and Activities, SPA and Biodiversity, Offshore, Hazardous Waste, ICZM);
- Following adoption of Decision IG.17/2 on Compliance Procedures and Mechanisms by the 15th Meeting of the Contracting Parties and the creation of the Compliance Committee (the Committee) in July 2008, as well as Decision IG.19/1 containing the Rules of Procedure adopted by the 16th Meeting of the Contracting Parties in November 2009, the Committee became an official subsidiary body of the Convention and its Protocols and of the Meeting of the Contracting Parties;
- The preparation and adoption by the Contracting Parties of a Strategic Action Programme (SAP/MED) of regional and national activities to address land-based pollution and the Strategic Action Programme for the Conservation of Biological Diversity in the Mediterranean Region (SAP/BIO) are important breakthroughs among the Mediterranean countries' efforts to combat land-based pollution and maintain and restore marine biodiversity;
- The MSSD adopted by the Contracting Parties in 2005, intends to adapt international commitments, such as the Millennium Development Goals, to regional conditions, in order to guide national sustainable development strategies and to initiate a dynamic partnership between countries at different levels of development;
- The UNEP MAP - GEF MedPartnership is a collective effort of leading organisations (regional, international, non-governmental etc.) and countries sharing the Mediterranean Sea, towards the protection of the marine and coastal environment of the Mediterranean;
- Adoption by the Parties at the 17th Conference of the Parties, of the integrated framework for the implementation of the ecosystem approach;
- Work has also progressed on strengthening MAP in accordance with the governance reforms adopted by the Parties in 2008 (including the host country agreements);

- Financial controls have been strengthened, the collection of arrears accelerated and additional external resources mobilized;
- UNEP MAP's Communication Strategy 2012-2017 was developed in line with the Governance decision included in the report of the 15th Ordinary Meeting of the Contracting Parties along with the mandates of the MAP components.

The only regional environmental legislative framework in the Mediterranean basin

One of UNEP MAP's most important comparative advantages is that it is the only environmental governance framework for states in the Mediterranean region. The Barcelona Convention and its protocols impose legally binding commitments that are very carefully calibrated and tailored to the unique community of interests in the region. In many cases, the existence of the Convention and its Protocols exert important leverage on countries to legislate in those areas where they might not otherwise be inclined to address. The LBS and ICZM Protocols are good examples whereby many countries would not have developed national legislation had those regional instruments) to which they had made legally binding commitments) not existed.

Politically, the trans-boundary regime has been developed at the right scale, notably the sea basin and its coastal areas. The fact that MAP is capable of agreeing on joint activities is important, not just politically, but also programmatically.

As the only legally-binding regime at the sea-basin scale, there is untapped potential for UNEP MAP to forge closer ties and combine forces with other key actors in the region. If designed properly, these partnerships will generate economic efficiencies into the system.

Convening power

UNEP MAP system's credibility and legitimacy have given it an important convening power in the eyes of the Parties. The confidence that the Parties have placed in MAP is reflected by MAP's ability to unite countries in a region characterized by divergent political situations and high degrees of political sensitivities around the management of common natural resources.

It is also important to highlight the particular political context and the fact that the MAP continues to be able to mobilize states in pursuit of common environmental cooperation and management goals. This is an important reflection of the value that Parties place on the Convention and its institutional arrangements.

Framework of networked governance

Despite the problems described above, UNEP MAP's network of competences and its system of distributed governance consolidated by a common PoW would appear to be the optimal system for a region as diverse and complex as the Mediterranean. From an administrative point of view, the fact that UNEP MAP is embedded within a UN framework equips it with a set of globally agreed rules regarding inter-governmental relations, which facilitate cooperation in a politically complex region and enables access to significant interdisciplinary and multi-stakeholder resources, which are highly beneficial to the Convention. The fact

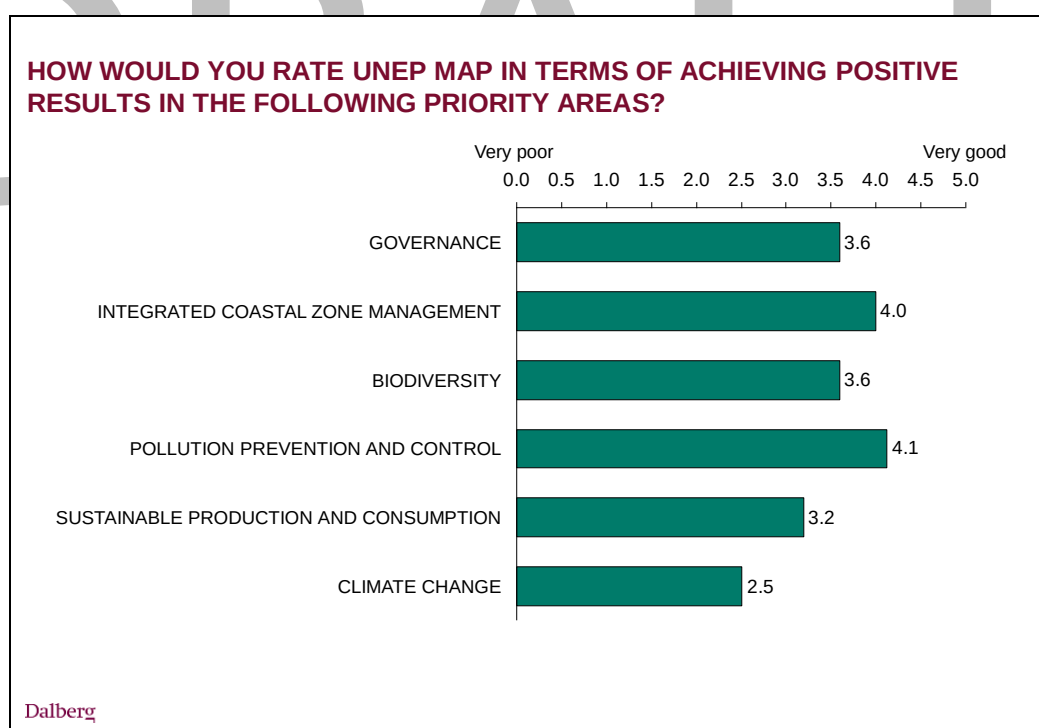
that UNEP MAP is governed by a legally binding regional convention, equipped with a compliance regime and combined with a network of competences, is indeed a clear comparative advantage. Indeed, the fact that, despite the economic crisis, the EU continues to provide significant financial support, is an important expression of its appreciation of the value-added contribution of UNEP MAP.

The value-added contribution of the RACs

UNEP MAP's real assets continue to be the RACs, which have underpinned MAP with a diverse array of substantive expertise. However, as explained below, the RACs continue to operate on the basis of highly individual agendas. This often leads to intense competition between the RACs for MTF and external resources, not to mention duplication of activities, which could otherwise be better synergized. Another problem is the impact that the previous MAP financial crisis and its recovery plan has had on the RACs in terms of the diminished flow of MTF resources.

As illustrated by the exhibit below, there is general agreement among the respondents to the review questionnaire that UNEP MAP is achieving positive results in its six priority areas, particularly in the areas of pollution prevention/control, ICZM, biodiversity, and governance.

Figure 4: Perceptions of UNEP MAP results in thematic areas



4.1.4. FUTURE CHALLENGES FOR UNEP MAP

UNEP MAP is about to embark on a new five-year planning process in a period of resource constraints. Therefore, it is particularly important that balance be struck between strengthening its focus on current priority areas to ensure full implementation and allowing enough flexibility to address new and emerging issues.

Indeed, the activities that ensure the highest protection of the marine environment and the coastal region of the Mediterranean Sea should be better prioritized on the basis of existing legal obligations of the Contracting Parties in the framework of the Barcelona Convention and its protocols. Contracting Parties should be encouraged to prioritize implementation of the commitments of the Barcelona Convention, its protocols, and the MSSD within their national sustainable development strategies. The Ecosystem Approach (ECAP) provides a new conceptual framework within which UNEP MAP can enhance the integration of these core priority areas.

In the near future, choices will have to be made regarding how to streamline UNEP MAP priorities considering the current scarcity of resources. At the same time, MAP will have to step up its fundraising efforts with external funding sources such as the European Commission and the GEF.

With spending down by 25%, UNEP MAP should focus efforts on those areas where it has clear niche strengths and comparative advantages such as ICZM and pollution prevention. Issues such as climate mitigation are adequately covered in other regimes such as the UN Framework Convention on Climate Change and its Kyoto Protocol. However, it is becoming increasingly clear that climate change will generate pronounced impacts for the Mediterranean, therefore it will be necessary to consider how to address climate change and its specific impacts for the Mediterranean. In addition, whilst the focus on sustainable consumption and production (SCP) is particularly important to modernize MAP, SCP activities should also prove their direct relevance for pollution prevention and control.

MAP has provided a strong and efficient framework for regional cooperation in the interests of the marine environment and sustainable development. However, the current functional review presents an important opportunity to revisit existing structures in order to adapt MAP to present-day challenges and to add fresh impetus to the efforts of Mediterranean countries so they may achieve their common goals of sustainable resource management.

4.1.5. OVERVIEW OF THE REGIONAL ACTIVITY CENTRES

As explained in the introduction to this report, one of the key objectives of this extended functional review was to assess the efficacy of the delivery models of UNEP MAP's six Regional Activity Centres (RACs). This section compares and contrasts the six RACs in terms of their mandates, institutional arrangements, strategic priorities moving forward, as well as staffing and funding arrangements. Annex C provides a detailed overview of each of the RACs.

Mandates

The mandates of the RACs were recently reiterated in the COP Decision on the Mandates of the Components of the MAP (Decision IB.19/5). These are briefly described accordingly.

The objective of the *Blue Plan Regional Activity Centre (BP/RAC)* in France is to contribute to awareness raising through its dual functions as an observatory of the environment and sustainable development and a centre for systemic and prospective analysis. BP/RAC's

mission is to provide the Contracting Parties with assessments of the state of the environment and development of the Mediterranean and a solid basis of environmental and sustainable development data, statistics, and indicators to support their action and decision-making processes. BP/RAC does not administer any Barcelona Convention protocols.

The specific objective of the *Priority Actions Programme Regional Activity Centre (PAP/RAC)* in Croatia is to contribute to sustainable development of coastal zones and sustainable use of their natural resources. In this respect, PAP/RAC's mission is to provide assistance to Mediterranean countries in the implementation of Article 4(i) of the Barcelona Convention, to meet their obligations under the ICZM Protocol and implement the MSSD, 2005, and by carrying out, in particular, the tasks assigned to it in Article 32 of the ICZM Protocol.

The specific objective of the *Specially Protected Areas Regional Activity Centre (SPA/RAC)* in Tunisia is to contribute to the protection, preservation, and sustainable management of marine and coastal areas of particular natural and cultural value and threatened and endangered species of flora and fauna. In this context, the mission of SPA/RAC is to provide assistance to the Contracting Parties in meeting their obligations under Articles 4 and 10 of the Barcelona Convention, 1995, and under the Specially Protected Areas and Biodiversity Protocol (SPA/BD Protocol); implementing the Strategic Action Programme for the Conservation of Biological Biodiversity in the Mediterranean Region (SAP BIO) adopted by the Contracting Parties in 2003, as well as the MSSD; and by carrying out the tasks assigned to it in Articles 9, 11(7), and 25 of the SPA/BD Protocol.

The objective of *Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC)* in Malta is to contribute to reducing and preventing pollution from ships and combating pollution in case of emergency. In this respect, the mission of REMPEC is to assist the Contracting Parties in meeting their obligations under Articles 4(1), 6 and 9 of the Barcelona Convention; the 1976 Emergency Protocol; the 2002 Prevention and Emergency Protocol and implementing the Regional Strategy for Prevention of and Response to Marine Pollution from Ships, adopted by the Contracting Parties in 2005 which key objectives and targets are reflected in the MSSD. The Centre will also assist the Contracting Parties in mobilizing regional and international assistance in case of an emergency under the Offshore Protocol, should this instrument enter into force.

The objective of the *Regional Activity Centre for Information and Communication (INFO/RAC)* in Italy is to contribute to collecting and sharing information, raising public awareness and participation, and enhancing decision-making processes at the regional, national, and local levels. In this context, the mission of INFO/RAC is to provide adequate information and communication services and infrastructure technologies to Contracting Parties to implement Article 12 on public participation and Article 26 of the Barcelona Convention on reporting, as well as several articles related to reporting requirements under the different Protocols, thus strengthening MAP information management and communication capabilities.

The objective of the *Cleaner Production Regional Activity Centre (CP/RAC)* in Spain is to contribute to pollution prevention and sustainable and efficient management of services, products, and resources based on UNEP's integrated approach to Sustainable Consumption and Production (SCP). In this context, CP/RAC provides assistance to the Contracting Parties

in implementing Article 4 of the Barcelona Convention, 1995; Article 5 of the LBS Protocol, 1996; Article 5.2 of the Hazardous Waste Protocol, 1996; and Article 8 of the Offshore Protocol, 1994, in which sustainable consumption and production play a crucial role, as well as the other Protocols in which the shift to sustainable consumption and production is key to attain their objectives.

In its early years, CP/RAC's focus was primarily focused on the promotion and dissemination of cleaner production in industrial production processes. However in 2007, the Center started to embrace the Sustainable Consumption and Production (SCP) approach. This entailed shifting (with the approval of the Contracting Parties) the core business of clean production towards green entrepreneurship, sustainable and green public procurement, education and sustainable lifestyles, among others.

Institutional arrangements

The RACs have been established as national entities with regional mandates and focuses. For example, the Plan Bleu was initially created as a non-governmental organization under French law. CP RAC and INFO RAC are both hosted within national government bodies, notably the Catalan Waste Agency and the Italian Institute for Environmental Protection and Research, respectively. PAP RAC and SPA RAC are also public institutions whilst REMPEC is hosted by an international organisation – the International Maritime Organisation.

There are a number of issues related to the dual identity of the RACs, notably:

- The duality of the RAC's identities (i.e. national organisations with regional mandates and focuses) is sometimes problematic where the host country requires substantive priorities to be addressed, which may not align with overall MAP priorities. This is particularly a concern where MTF funds are being used.
- In theory, MTF funds should only be used for regional activities, but a growing number of RACs are undertaking an increasing number of country-specific activities. Safeguards are needed to ensure that MTF resources are used for region-wide MAP activities. If they are not already in place, quantitative limits should be defined for the allowable ration permitted or agreed for regional versus national priority activities?
- Another issue relates to the fact that most staff are nationally recruited under national conditions or rules, which in some case may reduce the pressure to oblige them and the RACs to focus on regional activities. It is important to recall that each of the RACs have governing bodies in the form of the RAC focal points who determine RAC priorities and provide oversight.
- When it comes to fundraising, the RACs are not specifically obliged to fund equally for national and regional activities. They have directed their fundraising efforts to the most promising sources and as mentioned above, external funders will have their own priorities that they expect the RACs to fulfill, which in some cases may detract from their MAP mandates.

Funding arrangements

The funding arrangements are linked with the nature of the institutional arrangements of the RAC. Most of the RACs are funded in part by the MTF, their host government and other external sources such as the European Commission. The only RAC that does not receive any MTF support is CP/RAC as a result of the offer made by the Spanish Government when it first proposed establishing CP/RAC. However, as a result of the recent spending review, the Spanish Government's financial contribution to CP RAC has been reduced significantly. Whilst the decrease from the Spanish contribution has been balanced with CP RAC's increasing fund raising, CP RAC maintains that MTF resources are needed to ensure delivery of its mandate.

Declining funding has been a challenge for each of the RACs, especially those who are supported in large part by their host governments. For example, CP RAC and Info RAC have been significantly affected by the budget cuts for operating and personnel costs, which have been imposed by their host countries' spending review processes.

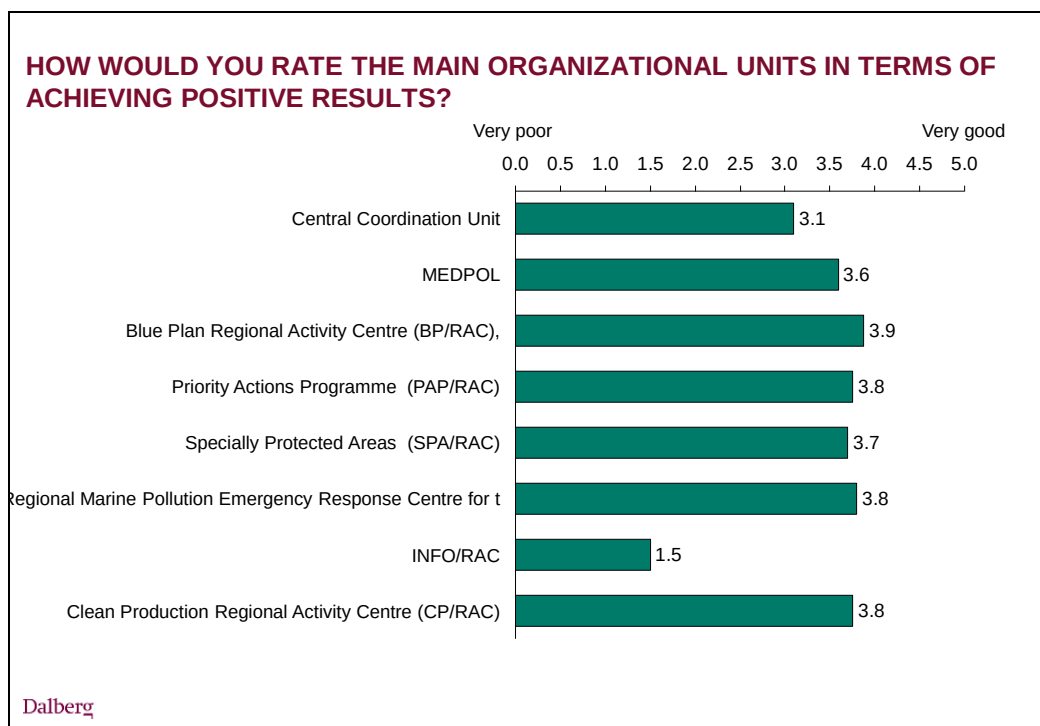
Declining MTF allocations have also had impacts for all the RACs. MTF reductions for operating and personnel costs have been problematic because external funding sources rarely cover these costs. Without reliable sources of funding for personnel and operating costs, some of the RACs such as BP will continue to have difficulties in mobilizing external funding.

Several of the RACs, such as REMPEC and CP RAC have had success in mobilizing external resources, however it often comes at a cost due to the requirement for co-financing. They should request external donors to reduce the need for co-funding as well as increase the possibility to finance overhead from projects.

A related challenge with external funding is the mission drift that detracts RAC focus from MAP related priorities. On the one hand, in the face of declining MTF support, the RACs must raise funds from external sources. However, in order to attract funding, in some cases, the RACs have had to take on projects outside of their core area of expertise. This overstretching has in some cases, affected the substantive quality of their work and diluted the MAP focus of their work.

Achievements

As reflected in the questionnaire results regarding the ranking of the RACs, the majority of the RACs are well regarded by those national focal points that responded. Plan Bleu received top marks, whereas PAP RAC, REMPEC and CP RAC were tied for second place. The lowest ranking RAC was Info RAC.



Future strategic challenges

Going forward, the RACs have a number of common strategic challenges that they will have to address in order to maintain their relevance and viability in an increasingly competitive operating environment.

- **Staff continuity** – Because of declining MTF funding support for personnel costs, the RACS are facing difficulties in maintaining continuity among their professional staff. This leads to regular turnover in staff, which in turn undermines the knowledge base and institutional memory and capacity. Internal capacity and expertise is affected which means heavier reliance on external capacity.
- **Funding** – As noted above, there is a need to cover fixed costs and assure that long-term operating and personnel costs are covered. Previously reliable MTF funding now only covers part of the operating costs and the RACs need to respond by reducing costs and mobilizing additional resources from other sources.
- **Mission drift** – In order to attract funding, many RACs have taken on projects that may be somewhat outside of their core area of expertise. This overstretching poses a risk to the substantive quality of their work.
- **Administrative constraints** – Where host country agreements have not been signed, this has hindered day-to-day operations. For example, CP RAC must seek approval from the Catalan Government for every expenditure it is required to make. This is especially problematic when it comes to the hiring of external consultants, where indeed CP RAC should be the one to decide who to hire. The Spanish Government must be urged to sign the host country agreement, since this will help to resolve many administrative and budgetary challenges.

- **Forging collaboration with external partners** - In times of resource constraints, the easiest way for the RACs to optimize their effectiveness and elevate overall profile is to find the right collaborators with whom to develop joint projects and activities. Engaging them successfully depends in large part on demonstrating the mutual benefit that will accrue from partnership.

4.2. SUMMARY OF KEY FINDINGS

The UNEP MAP system has played an important role in contributing to the implementation of the Barcelona Convention, placing environmental issues on the political agenda, encouraging and supporting the adoption of environmental legislation and regulations, and providing assistance for capacity-building for dealing with environmental protection in the region.

MAP's delivery capacity must be strengthened

While some activities are recognized for their contribution to the Barcelona Convention, the system as a whole is perceived as lacking sufficient capacity to deliver. Ministries of Foreign Affairs appear to pay little attention to what is going on in the Convention, its budget is small as compared to other development issues, and it is perceived as having limited potential for generating benefits. The recent complications with financial management and oversight have raised the wrong type of attention, which has further eroded trust in the system. The worsening ecological decline of the Mediterranean points to the need for effective action and greater political will, as well as the importance of retaining its focus on the key priorities outlined in the indicative Five-year PoW and deepening its work on those issues, which may not have been sufficiently addressed in the last five years.

MAP must continue to engage in those priority areas for which it has a clear comparative advantage such as pollution prevention. However, as further described below, UNEP MAP is not equipped to deliver on the expectations set by the Contracting Parties. The absence of prioritization has resulted in UNEP MAP “doing a bit of everything”. The scarcity of resources has resulted in an organisation that is sustaining its staff but has very little available funding for activities. As the proportion of external funding for activities increase, so does the pressure from external donors to follow their priorities.

As explained in this draft report, climate change is the one issue for which MAP appears to have a particularly under-developed capacity. Identified as one of the six thematic areas in the indicative Five-year PoW, climate mitigation and adaptation are increasingly important challenges for countries in both the southern and northern sub-regions of the Mediterranean. The key questions to be addressed are whether or not MAP is sufficiently placed to address climate change, whether other actors may be better equipped and, if so, how might MAP synergize with them.

Unclear business model

At the core of UNEP MAP's weaknesses is an unclear business model. The day-to-day challenges faced by the entire MAP system are due in a large part to the lack of clarity regarding the fundamental model, which should underpin the system.

The system that was originally conceived for the administration of the Barcelona Convention was a networked collaborative governance model embedded in a system of shared responsibilities between the Components – with the CU playing the central coordination role.

The system is currently delivering four categories of activities:

1. **Secretariat to the Convention**, including monitoring, evaluation, compliance and basic support (tools and methodologies) to countries for the implementation of the Protocols. This part of the work should be funded by the MTF.
2. **Implementer of the Protocols**, including technical assistance to countries for the purpose of implementation of the Barcelona Convention and its protocols. This is at the request of countries and should be funded by MTF with co-funding from donor governments.
3. **Project manager for sustainable development of the Mediterranean**, including projects that do not directly contribute to the implementation of the. These are project that are funded externally and do not receive in-kind or cash contribution from MTF.
4. **Think tank on sustainable development of the Mediterranean**, including research on topics of interest for sustainable development. This includes studies that do not directly contribute to the implementation of the protocols.

Each of these activity categories requires a different business model, i.e. approach, funding, capacity, skills. As funding is constrained, these activity categories have to be prioritized and funded appropriately.

In the near future, choices will have to be made regarding how to streamline UNEP MAP priorities considering the current scarcity of resources. Many stakeholders interviewed have emphasized that UNEP MAP should focus efforts on those areas where it has clear niche strengths and comparative advantages such as ICZM and pollution prevention. Issues such as climate mitigation are more than adequately covered in other regimes, whereas climate adaptation is partly addressed within the context of biodiversity and ICZM. And whilst the focus on SCP is particularly important to modernize MAP, SCP activities should also prove their direct relevance for pollution prevention and control.

The importance of balancing the budget

It is of vital importance that UNEP MAP adheres to the recovery plan that was agreed at COP-17 in Paris. If necessary, projects that do not directly relate to MAP's core business may have to be suspended or even cancelled. The key challenge is to balance the budget as soon as possible and restore cash flow.

The lack of cohesiveness within the system

The unclear business model has undermined cohesion within the system. The system will continue to weaken unless efforts are made to ensure greater cohesiveness and cooperation among the constellation of MAP actors. The system is currently characterized by a high degree of fragmentation between the Barcelona Convention, its protocols, MSSD, the regional action

plans, GEF projects, EU- funded projects (that do not always align with MAP priorities), not to mention a growing number of RAC-led country-specific projects that draw away from UNEP MAP's specific focus on regional-level activities. This institutional fragmentation contributes to "mission drift".

Despite some progress, improving coordination remains a key challenge

The stakeholder interviews consistently identify collaboration and coordination as the areas where an improvement can have the most impact. The increasing complexity of sustainability challenges in the Mediterranean necessitates even more interaction between the RACs than ever before.

There are significant efficiency gains that can be achieved with improved coordination and synergies between the RACs. However, the RACs continue to operate on the basis of highly individual agendas. This often leads to intense competition for both MTF and external resources, not to mention duplication of activities, which could otherwise be better synergized. Many have suggested that the MAP Co-ordination Unit, Athens (CU) should play a greater role in incentivizing cooperation between the RACs and that efforts are needed to strengthen overall strategic and operational management. While others suggest that the Executive Coordination Panel is the better-suited vehicle for this role.

In addition, whilst the RAC directors currently meet through the ECP, greater cooperation is needed at the technical level.

The different statuses of the RACs are a source of frustration

The RACs do not have the same legal status, rules and regulations, nor compensation levels. The difficulties posed by these differences were first noted in the 2008 Governance Paper and continue to be a source of frustration for the staff of some RACs. The homogenization/harmonization of the institutional status of the RACs continues to be a priority. The areas of discontent that were highlighted by RAC staff include: not being seen as a full member of the system; perceived favoritism for the host country; differences in compensation between RACs; differences in compensation between UN and non-UN organisations. A quick analysis of Cost of Living Adjusted compensation between RACs confirms these differences. There is certainly a need to develop a more effective way of incentivizing the RACs and rewarding the more effective ones. These will be difficult issues to solve and therefore the first priority should be to secure a budget surplus, increase financial transparency and raise additional funds.

The planning process is heavy and cumbersome

The strategic and operational planning process is perceived as too heavy and cumbersome for the resources involved. The principle of the Five-year PoW and the biennial programme and budget is good but the level of detail and the process for development need to be revisited. In particular, for the planning process, it will be important to specify the roles of the different stakeholders, i.e. who is responsible, accountable, consulted, and informed. Currently, most contributors operate as approvers, which makes the process inefficient. In the longer term, it

might be useful to consider to governance reforms needed to make MAP more programmed-oriented with programmes that could unite several or all of the RACs.

The importance of building synergies with external partners

Since UNEP MAP was established over 30 years ago, the institutional landscape in the region has changed considerably. There are countless new bodies and mechanisms that deal with the Mediterranean and its environmental challenges, such as the Union for the Mediterranean, the EU Horizon 2020, the Strategic Partnership for the Large Marine Ecosystem, the EU Maritime Spatial Planning Initiative, the Mediterranean component of the EU Water Initiative, and the Strategy for Water in the Mediterranean. Against this complex institutional landscape, it will be important to find ways to improve synergies and strengthen cooperation with all of the regional bodies, MAP components, governments, and civil society.

Building on the effort of recent years, UNEP MAP must work with all of these initiatives while at the same time avoid duplication of responsibilities and competencies. The Paris Declaration that was adopted at COP-17 emphasized the importance of reinforcing cooperation between all key actors in the Mediterranean, notably Secretariats of the Union for the Mediterranean, the General Fisheries Commission for the Mediterranean, CBD, IMO, IUCN, and the other regional seas conventions and programmes. It is clear that common objectives in improving the management of the Mediterranean's resources will best be achieved when linkages and synergies are strengthened among the various Mediterranean initiatives, together with the Mediterranean key stakeholders.

Need for strengthened MCSD

Over the years, the Mediterranean Commission for Sustainable Development has failed to meet expectations. The 2012 COP decision refers to the need to reform it. Of particular importance is the potential role that it could play in helping to accelerate the mainstreaming of cross-cutting and transversal priorities such as SCP, ecosystem approach based management and climate change, evolving in the Mediterranean as well as in other RSPs.

At the Rio+20 conference held in June 2012, member states decided to develop a set of sustainable development goals to follow the Millennium Development Goals adopted in 2000. Sustainable development of oceans, marine and coastal resources and environments is a key to overall sustainable development. The MCSD could integrate these in its future agenda.

5. COMPARISON WITH OTHER REGIONAL SEAS PROGRAMMES (RSPs)

In addition to the RAC missions and interviews with key stakeholders, the benchmarking of selected Regional Seas Programmes (RSPs) has provided an important source of insight regarding governance arrangements, strategic priorities, organizational models and funding arrangements.

There are currently 18 Regional Seas Programmes around the world. Fourteen of the Regional Seas Programmes are underpinned by a legally binding convention. Six are administered by UNEP:

- Wider Caribbean Region
- East Asian Seas
- Eastern Africa Region
- Mediterranean Region
- Northwest Pacific Region
- West and Central Africa Region

Seven are not administered by UNEP:

- Black Sea Region
- North-East Pacific Region
- Red Sea and Gulf of Aden
- ROPME Sea Area
- South Asian Seas
- South-East Pacific Region
- Pacific Region

And five are completely independent, operating outside the auspices of UNEP

- Arctic Region
- Antarctic Region
- Baltic Sea
- Caspian Sea
- North-East Atlantic Region

For the purposes of the benchmarking exercise, six RSPs were chosen on the basis of their potential to provide useful insights for the specific questions that are being addressed in this functional review. The six chosen include:

- Baltic Sea
- North-East Atlantic Region
- Eastern Africa Region
- West and Central Africa Region
- Wider Caribbean Region
- East Asian Seas

5.1. GOVERNANCE

The governance arrangements depend on whether the RSP is underpinned by a regional convention or not. Where there is a convention in place (i.e. OSPAR, East Africa, Wider Caribbean Region, the Helsinki Commission (HELCOM)), the governance structure is characterized by a Conference of the Parties, which is the supreme governing body supported by a Bureau that provides guidance to the secretariats during the inter-sessional periods and assists with resource mobilization, alongside the national focal points.

Where the RSPs are not underpinned by a legally binding convention, such as the Northwest Pacific Regional Seas Programme, the governance arrangement is characterized by an intergovernmental meeting, which convenes Member States annually. This is the forum through which Member States provide political guidance to the Secretariat especially in terms of programming and resource allocation to the regional activity centres.

In most cases, the RSPs have secretariats, which are responsible for administering the work under the conventions and coordinating the work of the Contracting Parties. In some cases such as HELCOM, the secretariat plays a substantive role in facilitating the work of the Contracting Parties in fulfilling their obligations.

As noted above, not all of the RSPs have RACs per se. In OSPAR, the substantive work is carried out under five main committees (i.e. hazardous substances and eutrophication; offshore industry; radioactive substances; biodiversity; environmental impacts of human activities). Similarly, HELCOM's substantive work is carried out by its thematic working groups and multi-stakeholder forums.

As noted above, for those RSPs that do have RACs such as Eastern Africa and the Wider Caribbean Region, Northwest Pacific and the Black Sea, substantive work is carried out through them. In the case of the Wider Caribbean Region, there are four RACs that implement activities for each of the Convention's protocols. They are financially autonomous organisations, which have been designated by the Contracting Parties to coordinate or implement activities.

5.2. STRATEGIC PRIORITIES

The substantive work of the RSPs that were benchmarked is usually defined by their original action plans, which articulate overarching priorities. The action plan is based on the region's environmental challenges as well as its socioeconomic and political situation. In many cases, the action plan is underpinned by a legally binding convention and associated protocols. The priorities and commitments contained in these instruments are further operationalized through biennial work programmes or thematic strategies.

For example, the East African Action Plan addresses priorities related to: protection of marine and coastal environment; pollution prevention; protection of coastal and marine resources; regional collaboration; training and technical assistance; assistance for maritime emergencies; or marine pollution incidents. These priorities are further addressed through the East African biennial work programme, which for the period 2008-2011.

Similarly, the HELCOM Baltic Sea Action Plan was adopted with four areas of priority: eutrophication; hazardous substances; biodiversity; and environmental friendliness of maritime

activities. The West and Central Africa Region Action Plan addresses: contingency planning; pollution; coastal erosion; environmental impact assessment; environmental legislation; and marine mammals.

In other cases, such as OSPAR, substantive work is governed by a set of thematic strategies, which have been developed to address the main threats in the region. Currently, OSPAR has five thematic strategies: biodiversity and ecosystem strategy; eutrophication strategy; hazardous substance strategy; offshore industry strategy; and the radioactive substances strategy, together with a strategy for the joint assessment and monitoring.

In the case of COBSEA, it recently adopted a New Strategic Directions for 2008-2012, which will focus substantive work on the thematic areas of marine and land-based pollution, coastal and marine habitat conservation and management, and response to coastal disasters. COBSEA will address these areas through four inter-linked strategies: information management; national capacity building; strategic and emerging issues and regional cooperation.

5.3. ORGANISATIONAL STRUCTURE

Delivery models vary between RSPs. In many cases, the RSPs work through Secretariats or Regional Coordinating Units (RCUs). They serve as the nerve centre and command post of the Action Plans' activities. They are often supported by RACs, which are the implementing bodies, carrying out the concrete activities related to the Action Plans.

In the Caribbean RSP, each RAC prepares a six-year strategic plan, as well as a biennial work plan and budget for approval by the Contracting Parties. The Caribbean RSP RACs strengthen the delivery of activities in support of the convention and protocols through decentralizing the work and by the addition of human and financial resources from host countries, or international organisations.

In other RSPs, such as HELCOM and OSPAR, the substantive work is carried out not by RACs but rather by working groups, which have been established to implement programmes and project activities. HELCOM's working groups are supplemented by three substantive multi-stakeholder platforms (Fisheries; Agriculture; and Marine Spatial Planning). Each of OSPAR's main committees develops their own work programmes on an annual basis. For each product to be developed under the POW, a task manager from a lead country or Secretariat is identified. OSPAR's Inter-sessional Correspondence Groups are discrete groups of technical and scientific experts who interact using a platform called "basecamp" and meet face to face when needed.

The South East Asia Action Plan is implemented by the Coordinating Body on the Seas of East Asia (COBSEA). There is no regional convention but instead the programme promotes compliance with existing environmental treaties.

In the East African RSP, the Contracting Parties decide on the biennial work programme under the Nairobi Convention. The work programme is implemented through a broad-based coordination structure including the Nairobi based secretariat, which is guided by governments of the region through a network of focal points and thematic expert groups such as Coral Reef Taskforce, Marine Turtle Force, Marine Protected Areas and Legal and Technical Working Group. The Secretariat has also established a multi-stakeholder group (Consortium for Conservation of

Coastal and Marine Ecosystems in the Western Indian Ocean), which enhances collaboration, information exchange and programmatic synergies.

5.4. FUNDING

For most of the RSPs and indeed the six that were benchmarked, the financing for the RSP secretariats' costs and their programmes comes from the RSP Trust Funds, which are funded by the assessed contributions of Contracting Parties, or from UN contributions, funding from the GEF, EU, and other bilateral donor contributions. In most cases, member states contribute on the basis of the UN scale of assessments or as in the case of OSPAR, on the basis of equal amounts (i.e. the 16 Contracting Parties each pay 2.5% of the general budget).

The basis for resource allocation to the RACs differs among the RSPs. For example in the Northwest Pacific Region RSP, member states called for equal allocation to each of its four RACs. This is also the case with HELCOM. In other RSPs, as with MAP, trust fund allocations are determined on the basis of assessed contributions.

For the RSPs that are UNEP-administered, UNEP is also accountable for administering the Trust Funds and providing financial and budgetary services. UNEP's role in this context is particularly important in times of financial crisis, notably with COBSEA and the Nairobi and Abidjan Conventions, where UNEP had to step in financially to rescue the Secretariats and/or their programmes and activities.

For the RSPs that are not administered by UNEP, another regional organisation hosts the Secretariat and manages the Trust Fund. And for those RSPs that were not established under the auspices of UNEP, such as OSPAR, their budgets are managed autonomously. OSPAR manages both a General Fund and a Working Capital Fund. OSPAR's member countries directly fund most programme costs.

In terms of allocation of resources, the financing instruments vary as well. For example, in the Wider Caribbean Region, the Core Trust Fund covers Secretariat salaries, and the Special Voluntary Trust Fund covers workshops, regional meetings and promotional activities. However, the RACS are not funded by the Caribbean Trust Fund. Instead, the RACs or host government will provide for all of the operating costs of the RACs. Their project funding is obtained from external donors such as the GEF.

OSPAR's secretariat costs are covered regularly by individual member countries, and certain programme costs are covered from a collective budget. These flexible financing arrangements play a major role in financing OSPAR's work.

COBSEA secretariat operating costs have continued to be covered by UNEP although given UNEP's own financial problems, this arrangement is unlikely to continue until and unless Member States are prepared to contribute appropriate levels of financing. At this point, it is likely that COBSEA will be the first of the RSPs to actually close down due to lack of funding.

The Nairobi Convention activities are financed by the East African Trust Fund and from the Swedish International Development Corporation Agency (SIDA), the GEF and the NORAD.

HELCOM is supported by the Baltic Sea Action Plan Fund (a fund managed by the Nordic Investment Bank and the Nordic Investment Finance Corporation), which provide grants for projects to support the Baltic Sea Action Plan. HELCOM is also supported by the Baltic Sea Environment Lending Facility. Up until recently, Contracting Parties each provided an equal contribution to the HELCOM budget. This has been changed to accommodate the newer EU member states such as Estonia and Lithuania.

As regards RAC financing, most have multiple sources of funding in addition to their trust fund allocations, i.e. contributions from host countries; project grants; bilateral donor support.

It is important to emphasize that most of the RSPs benchmarked are dealing with declining contributions from their respective Contracting Parties, many of whom have been affected by the global economic downturn. As a result, the RSPs are now actively exploring how best to mobilize external funding from other sources such as the EU and the GEF, which could be used to support specific project initiatives.

5.5. INSIGHTS FROM THE OTHER REGIONAL SEAS PROGRAMMES

- Where they do exist, the RACs play key and integral roles in the implementation of Regional Seas Programmes and their activities at regional, sub-regional and national levels. Their financing is often ensured by the Contracting Parties and by the host country through the financial mechanisms related to the work programme/action plan.
- The legal statuses of the RACs vary widely. Some are hosted by public authorities, universities, NGOs, research institutes.
- Adequate and sustainable financing is essential to ensure the necessary continuity in the RAC's technical capacities, which in turn are necessary to maintain an appropriate level of performance.
- Where the RACs do not exist, thematic working groups and multi-stakeholder forums have been important components in the substantive work of RSPs such as HELCOM.
- The effectiveness and sustainability of Regional Seas Programmes have been enhanced through participatory stakeholder involvement, country ownership, good communication with Contracting Parties and other key stakeholders.
- Increasingly involving civil society and the private sector, as well as targeted capacity building have also contributed to the successful implementation of Regional Seas Programmes;
- Increasingly, many RSPs are emphasizing the ecosystem approach as an overarching management framework for addressing threats to the sustainability of regional seas. UNEP MAP has already set ecosystem-based objectives and is currently working on targets to build

on the work undertaken under the GEF-funded strategic action programmes (SAP-Med and SAPBio), and other initiatives.

- The importance of the secretariats' effective coordination of its components (RACs or working groups) and the promotion of cooperation between components, is crucial to the successful implementation of strategic priorities within work programmes of conventions.
- Financial arrangements of the RSPs vary widely, although most are increasingly faced with limited financial resources and growing funding uncertainties. Forging partnerships and synergies with key players in the respective region such as the European Union have been key to mobilizing external funding resources. Financial difficulties have compelled a deeper analysis of the relevance and benefit of the RSPs for state parties.

DRAFT

6. SOLUTIONS FOR A SUSTAINABLE MAP SYSTEM

6.1. OVERVIEW

The extended functional review has highlighted many areas where improvements can be made to increase efficiency and effectiveness of the system. Recognizing that many of these issues are in fact symptoms of a more fundamental issue, i.e. the absence of a clear and consistent business model, this report focuses on precisely that question. The underlying vision for the UNEP MAP system is an organisation that invests its resources where it achieves the most impact and is flexible to respond to changes in priorities.

There are multiple paths for the UNEP MAP system to achieve sustainability. The terms of reference of the extended functional review specifically asked for the path of increased efficiency through cost reduction (Option 1). This option focuses on maintaining the system as is as much as possible while reducing the funding needed.

As a result of the work, the review team identified and evaluated two additional options that focus on more fundamental changes to the business model of the system. This section describes the following options and their implications for the system in more detail:

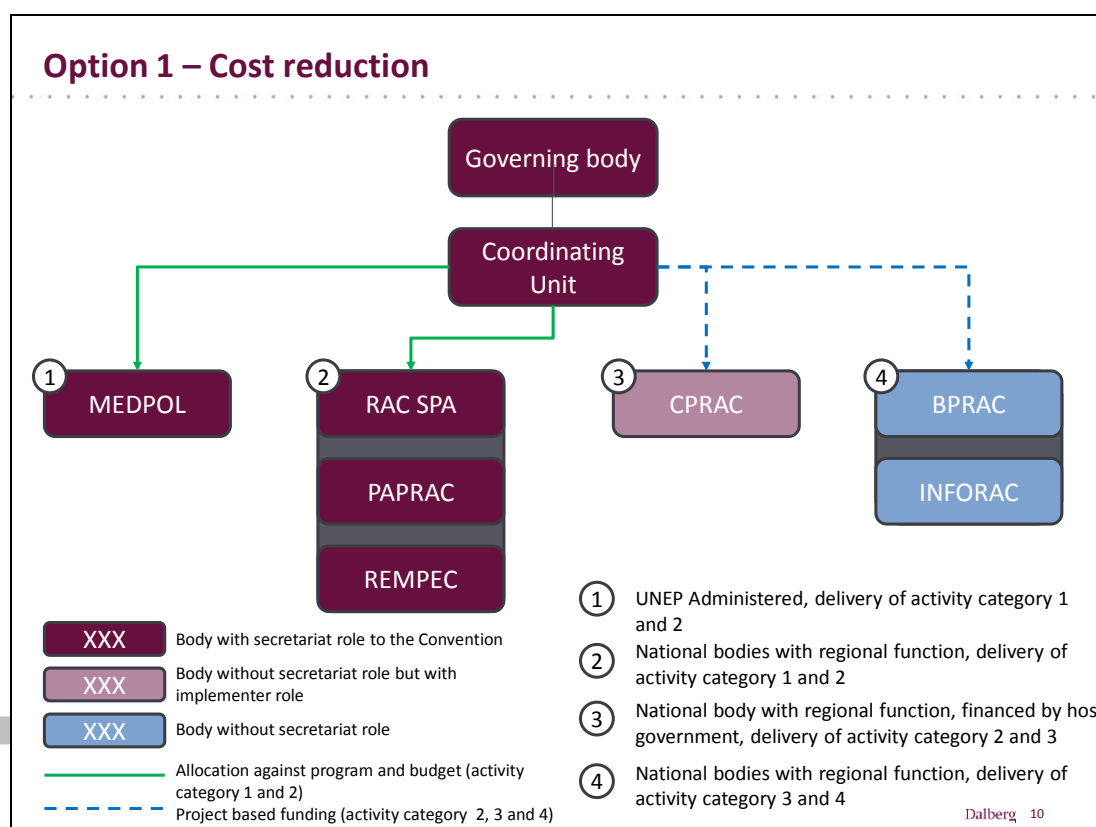
- Option 1: Cost reduction - Focuses on reducing costs to achieve financial sustainability of the system building on the 2010 functional review.
- Option 2: Scalable system - Introduces the concept of core and scalable (flexible) funding allocated through different processes.
- Option 3: Fund manager - Severs direct ties between UNEP MAP and the RACs and introduces fund manager / grantee relationship.

6.2. OPTION 1: COST REDUCTION

6.2.1. DESCRIPTION

The first option to achieve a more sustainable MAP system focuses on making adjustments to the current system. The adjustments aim to reduce cost and reallocate resources to follow impact and priorities. The figure below provides a simplified graphic view of the system. The paragraphs that follow provide a detailed explanation of the model.

Figure 5: Simplified graphical view of option 1 – Cost reduction



Within the priorities set by the Contracting Parties, the CU follows a three-step process to develop a proposed allocation of funding.

- 1) Step 1 – Funding allocation to activity category 1 (Secretariat to the Convention)
 - a. The first priority for the UNEP MAP system is what is described as activity category 1: “Secretariat to the convention, including monitoring and evaluation, compliance and basic support (tools and methodologies) to countries for the implementation of the protocols. This part of the work should be funded by the MTF.”
- 2) Step 2 - Funding allocation to activity category 2 (Implementer of the Protocols)
 - a. The funding allocation to activity category 2 is informed by two main factors:
 - i. **Priorities** for implementation of the protocols as set by the Contracting Parties “Implementer of the protocols, including technical assistance to countries for the purpose of implementation of the Barcelona Convention and its protocols. This is at the request of countries and should be funded by MTF and co-funding from countries. ”
 - ii. **Performance** is informed primarily by the success of the RACs in attracting external funding for the implementation of the protocols in absence of information on impact. RACs are allocated additional funding if they have reached their theoretical maximum delivery capacity with current MTF resources.

- 3) Step 3 - Funding allocation to activity category 3 (Project manager for sustainable development of the Mediterranean) and 4 (Think tank on sustainable development of the Mediterranean)
- a. The funding available after allocation in steps 1 and 2, is allocated to activities that are not necessarily directly contributing to the implementation of the protocols and may include for example co-funding for projects initiated by partners and research studies.

This process requires top down and bottom up planning as well as inputs such as progress reports that specify input, output and results of the system. The Contracting Parties are responsible for setting the overall funding envelope and portfolio criteria if necessary, e.g. geographical balance, intervention type (research, training etc.), thematic areas, and duration of projects. Taking into account these principles, the CU coordinates the development of the proposed budget by providing a budget envelope to the RACs. The RACs develop a detailed plan, working with their focal points for delivery on the priorities. The CU consolidates the plans and works with the RACs to develop an integrated program and budget for approval by the Contracting Parties.

This option assumes that the recommendations from the governance paper are fully implemented and that the nature of the relationship between RACs and UNEP MAP is confirmed through agreements.

6.2.2. IMPLICATIONS

The most important implications for the organisational structure, staffing and resources are included in the following paragraphs. Further details of the implications are included in **Annex E: Detailed implications of options 1 and 2.**

COORDINATING UNIT (CU)

Operating as part of the United Nations family comes with relatively higher staff expenditures. A quick comparison between compensation costs in the current situation, and in a situation where the CU and MEDPOL were to operate a national body, shows a difference of around 770,000¹ Euro. The 2013 approved budget shows ~1.47 million Euro of staff costs for CU and Medpol which could move to 717,000² Euro if they would operate as national bodies. This change would require an estimated 1.17 million Euro in upfront investment in separation indemnities. In addition, leaving the UN system will require investment in developing a framework for collaboration between the Contracting Parties. While it is difficult to put a value on this, it is clear that this is a significant risk to the continuation of the MAP. It is not recommended to pursue this option at this stage.

The CU has very senior leadership in comparison to Conventions with a similar number of staff members and budget. It is recommended to reclassify both senior leadership posts.

¹ This number includes the reduction of costs associated with staff compensation as well as an increase in costs associated with value added tax.

² This number has been estimated based assuming that the salaries in Athens would follow be similar to those of BP RAC corrected for cost of living in Athens.

- The D2 post of Executive Coordinator should be reclassified to a D1 post without changes to the terms of reference;
- The D1 post for Deputy Coordinator should be reclassified to a P5 post. The terms of reference should focus on supporting the Executive Coordinator with strategic and operational planning.
- The legal officer post, currently filled by a secondment from the French Government should be funded through the MTF.

MEDPOL

MEDPOL was not part of the scope of the extended functional review. However, the Contracting Parties should consider creating future vacancies for national professional officers to reduce staff costs.

BP/RAC

BP/RAC was set up to put at the disposal of political leaders and decision-makers all information that will enable them to develop plans likely to ensure sustained optimal socio-economic development without degrading the environment. BP/RAC is different from other RACs as its mandate is not the implementation of a protocol, but rather to inform decision making on the sustainable development of the Mediterranean.

In 2012, approximately 25% of BP/RAC's budget came from the MTF, of which more than 90% was used to cover staff and office costs. This is expected to remain the same in 2013. The budget from the POW shows that the MTF is used to subsidize almost every staff member in the Centre, which makes it difficult to keep track of inputs, outputs and outcomes of the MTF budget. In particular, the contribution of staff time, funded by the MTF to projects that may not be priorities for the Contracting Parties should be addressed.

It is therefore recommended to change the funding allocation for BP/RAC to a project-specific basis. This implies that the MTF could be a source of income similar to any external donor for BP/RAC. To obtain the funding, BP/RAC has to respond to the priorities set by the Contracting Parties and justify what inputs it needs to deliver outputs and outcomes. Under this scenario, the allocations to BP/RAC are completely scalable to follow the priorities and available resources.

CP/RAC

CP/RAC was admitted as a RAC to promote and disseminate cleaner production (CP), as defined by UNEP, in the Mediterranean countries. The approach applied currently by UNEP is to address production and consumption patterns in an integrated manner to ensure sustainability and sound chemical management. As part of the agreement to admit CP/RAC into the system, the Government of Spain agreed that the Centre would be wholly financed by Spain.

CP RAC does not deliver activities under category 1 "Secretariat to the Convention", however, it does deliver activities under category 2 "Implementer of the Convention". It is therefore recommended to continue the current arrangement but allow CP RAC to access funding that is project-specific. To obtain the funding, CP RAC has to respond to the

priorities set by the Contracting Parties and justify what inputs it needs to deliver outputs and outcomes.

INFO/RAC

INFO/RAC is different from other RACs as its mandate is not the implementation of a protocol, but rather to provide support that may have otherwise been done by the CU. It was established with the commitment from the Government of Italy to finance the Centre. It has been receiving MTF funds since the 1990's as ERS/RAC. For the biennium 2012-2013, the allocation is set to 130,888 Euro, 105,888 Euro for 2012, and 25,000 EUR for 2013. It has been difficult to track inputs, outputs and outcomes of the MTF budget provided to INFO/RAC. For the moment, it has not been able to show its added value to the system through concrete outputs. It may be for this reason that the Centre receives some criticism through the interviews and surveys.

It is therefore recommended to change the funding allocation for INFO/RAC to a project-specific basis. This implies that the MTF could be a source of income like any other external donor to INFO/RAC. To obtain the funding, INFO/RAC has to respond to the priorities set by the Contracting Parties and justify what inputs it needs to deliver outputs and outcomes.

PAP/RAC

A major milestone for PAP/RAC was the adoption of the Action Plan (AP) for the Implementation of the Protocol in February 2012. This strategic document guides the Contracting Parties and the whole MAP structure in the period 2012-2019 in the implementation of the priorities set for in this AP. The ICZM and the ecosystem approach are the two main priorities for the Contracting Parties in the current biennium.

MTF financing to PAP/RAC has dropped from around 70% of total income in the last three years to around 42% of total income this year and 35% for the coming year. Given the requirements from external donors with regard to co-funding, PAP/RAC is delivering close to its maximum with its current capacity and resources.

It is recommended that UNEP MAP support PAP/RAC with increasing its delivery through agreements that require less co-funding and operating cost charges to projects. This support should include (a) setting rules and regulations around co-funding from Contracting Parties, (b) engaging with external funders to decrease co-funding requirements and the ability to include overheads. In addition, the Contracting Parties should consider increasing PAP/RACs allocation of the MTF to undertake activities.

REMPEC

REMPEC is the result of an arrangement between UNEP and IMO for the implementation of the MAP, under which IMO is the implementing organisation (i.e. management and operation of the Centre), with UNEP providing funding, through its MTF, from contributions paid by the Contracting Parties. While IMO/UNEP cooperation has been welcomed, the status of REMPEC and its staff, operating within the IMO structure focusing on priorities set by the Contracting Parties, has been a source of confusion and perceived conflict of interest.

REMPEC currently has three permanent programme staff members and one junior staff member seconded by the French Government and the oil industry. While REMPEC's staff costs are comparable to other UN Organisations, they are high if compared to the other RACs. REMPEC has the highest general staff capacity in comparison to its programme staff.

The share of the MTF in total funding for the Centre has been relatively stable in recent years moving between 60% in 2009 and 33% in 2012. In 2013, the Centre is expected to rely to a much greater extent on MTF funding (63%) as the SafeMed project comes to an end.

REMPEC has an important role in the implementation of the Barcelona Convention and should continue to be funded by the MTF at a minimum, for its role in the implementation of the protocols. At the same time, there are steps that need to be considered to reduce costs and invest more in the priorities.

It is recommended to reestablish REMPEC as a national body with a regional function. The current setup is confusing and costly which is not justified by its benefits. A national body with a regional function will be able to deliver on the Barcelona Convention and protocols, as well as provide the required technical implementation support to IMO. The benefits of reestablishing REMPEC as a national body are found in equality of the RACs and potential savings of 160,000³ Euro annually. The upfront investment for this change will be between 200,000 and 400,000 Euro depending on the arrangement with current staff.

Finally, the number of general service staff is significantly higher compared to the other RACs. In order to align to the average in the system, REMPEC should abolish two general service posts to bring their ratio in line with the other RACs.

The funding that comes available through these measures should be used to invest in capacity for the implementation of the Offshore Protocol.

SPA/RAC

The SPA/BD Protocol was adopted in Barcelona in 1995 and replaced the protocol concerning Mediterranean Specially Protected Areas, adopted in Geneva in 1982. This new protocol, which comes into effect in 1999, aims at promoting the conservation and the sustainable management of areas having a particular natural or cultural value and at promoting the conservation of the animal and plant species endangered or threatened. It envisages in particular dispositions relating to the creation, protection and management of Specially Protected Areas (SPAs), to the establishment of a Specially Protected Areas of Mediterranean Importance (SPAMIs) list, and to the protection and the conservation of the species.

The MTF has dropped from around 80% of total income in the last three years to around 35% of total income this year and 27% for the coming year. Unless external projects do not require in-kind contributions, further scalability of the MTF funding will not be possible.

³ This number assumes reduced cost of compensation as well as increased costs associated with value added tax.

It is recommended that UNEP MAP support SPA/RAC with increasing its delivery. This support should include (a) setting rules and regulations around co-funding from Contracting Parties, (b) engaging with external funders to decrease co-funding requirements and the ability to include overheads. In addition, the Contracting Parties should consider increasing SPA/RACs allocation of the MTF to undertake activities.

The table below provides an overview of the implications of the proposed changes based on the 2013 approved budget and includes the reductions that are proposed under this option. It is important to note that reductions such as reclassification and recruiting of national public officers will only be available over time. The table provides the end state assuming all of the recommendations have been implemented.

Table 6: Reduction of 2013 approved budget (EUR) to inform implications

RAC	Budget approved in 2013 (A)	Potential cost reductions (B)	Reduced budget (A-B)
BP/RAC	666,381	666,381	0
CP/RAC	2	2	0
CU	1,663,018	47,315	1,615,703
INFO/RAC	25,000	25,000	0
MEDPOL	1,290,866	196,384	1,094,482
PAP/RAC	644,310	0	644,310
REMPEC	738,830	250,545	488,285
SPA/RAC	656,654	0	656,654
Total	5,685,061	1,185,627	4,498,984

The budget that is made available through the reductions proposed in option 1 should be made available to the RACs to delivery on specific projects in areas of priority set by the Contracting Parties. For instance, BP RAC, in collaboration with other RACs and external partners, could obtain the budget for a study such as the implications of Climate Change in the Mediterranean.

6.3. OPTION 2: SCALABLE SYSTEM

6.3.1. DESCRIPTION

The second option to achieve a more sustainable UNEP MAP system introduces the idea of core and scalable activities funded by the MTF. This fundamental difference between this option and option 1 is that all funding available for activities is opened up to competition. This element of competition will reinforce incentives for the RACs to work together to improve their offering, perform well on delivery and focus on the priorities set by the Contracting Parties.

The assumption is that all support that the UNEP MAP system could provide for sustainable development of the Mediterranean, is captured in the activity categories previously outlined and further categorized as follows:

A) Core activities

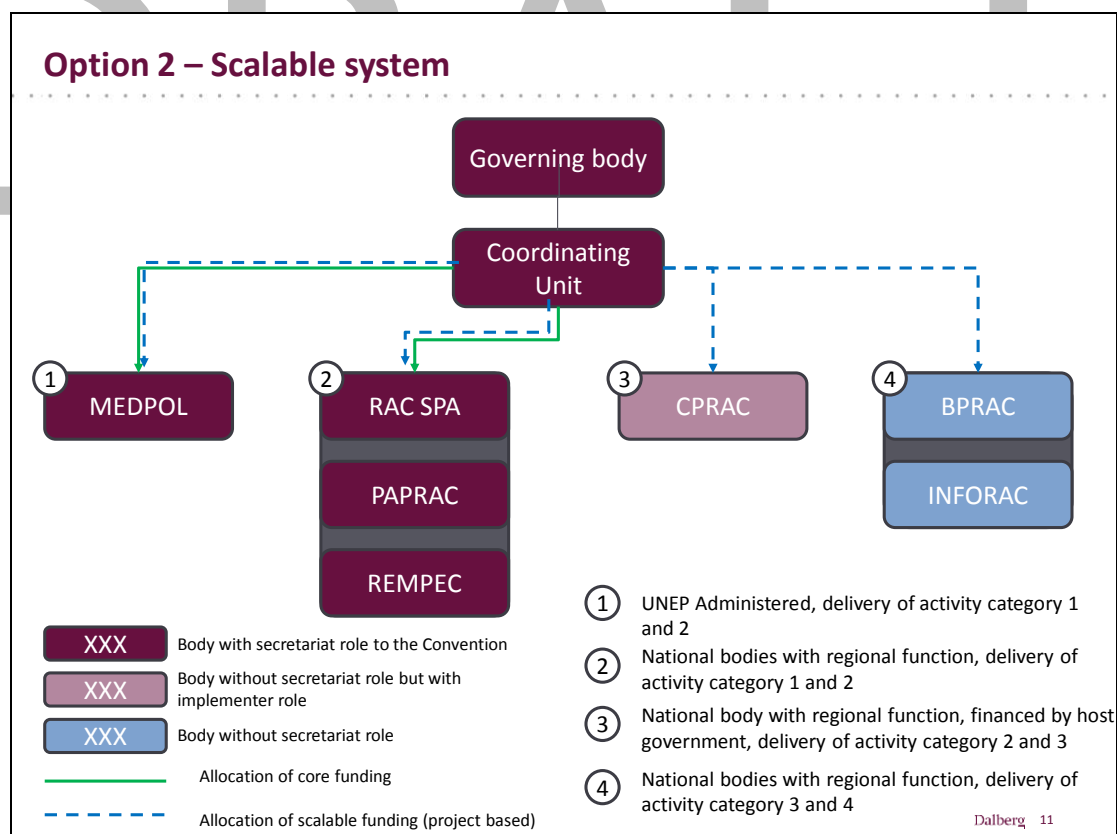
- Activity category 1 “Secretariat to the convention, including monitoring and evaluation, compliance and basic support (tools and methodologies) to countries for the implementation of the protocols.”

B) Scalable activities

- Activity category 2 “Implementer of the protocols, including technical assistance to countries for the purpose of implementation of the Barcelona Convention and its protocols.”
- Activity category 3 “Project manager for sustainable development of the Mediterranean, including projects that do not directly contribute to the implementation of the protocols.”
- Activity category 4 “Think tank on sustainable development of the Mediterranean, including research on topics of interest for sustainable development. This includes studies that do not directly contribute to the implementation of the protocols.”

The figure below provides a simplified graphical view of the system. The paragraphs that follow provide a detailed explanation of the option.

Figure 7: Simplified graphical view of option 2 – Scalable system



The allocation process and formula will be different for core and scalable funding. The core activities will be funded first, based on an assessment of the funding required to deliver on activity category 1. This means that those RACs that have a function as the Secretariat of a

protocol will be allocated a minimum level of funding. RACs that do not have such a function will not receive any core funding.

The remainder of the funding will be used to fund scalable activities based on priorities and performance. It is recommended that the MTF only funds activity category 2 and in select cases, activity category 4. Activity category 3 should not be funded by the MTF, nor should it be positioned as a UNEP MAP activity. The funding will be allocated to RACs based on project proposals that will include a fixed amount for overheads and staff time of the RAC.

This process requires top down and bottom up planning as well as inputs such as progress reports that specify input, output, and results of the system. The Contracting Parties are responsible for setting the overall funding envelope and the initial allocation to core and scalable funding. The Contracting Parties also set the rules around the allocation of scalable funding, e.g. thematic priorities, geographical balance, and intervention type. The RACs are invited to develop proposals, alone or in collaboration with others. The CU⁴ will review the proposals and make recommendations to the Bureau. The Bureau (delegated by the Contracting Parties) will review the proposals and recommendations from the CU and make the final decision. The Contracting Parties will review CU recommendations and Bureau decisions every two years. The CU consolidates the plans, for core and scalable funding, and works with the RACs to develop an integrated program and budget for approval by the Contracting Parties.

Both core and scalable activities will be subject to evaluation but with different timelines. The scalable funding will be reviewed midterm and at the end of the project. The core funding will be reviewed every five years. Neither the funding for the core activities, nor the funding for the scalable activities, is assured in the long term.

6.3.2. IMPLICATIONS

The most important implications for the organisational structure, staffing, and resources are included in the following paragraphs. Further details of the implications are included in **Annex E: Detailed implications of options 1 and 2.**

COORDINATING UNIT

The CU has very senior leadership in comparison to Conventions with a similar number of staff members and budget. It is recommended to reclassify both senior leadership posts.

- The D2 post of Executive Coordinator will be reclassified to a D1 post without changes to the terms of reference;
- The D1 post for Deputy Coordinator should be reclassified to a P5 post. The terms of reference should focus on supporting the Executive Coordinator with strategic and operational planning.
- The legal officer post, currently filled by a secondment from the French Government, should be funded through the MTF.

⁴ Some organisations, such as UNITAID, have set up an independent body to review proposals and make recommendations to the Governing Body. This helps to inform decisions making by experts and reduces potential conflicts of interest.

MEDPOL

MEDPOL was not part of the scope of the extended functional review. However, the Contracting Parties could consider opening up future vacancies to national professional officers to bring down the cost of compensation.

BP/RAC

Under this model, BP/RAC would not receive any core funding. BP/RAC can apply for scalable funding through calls for proposals.

CP/RAC

Under this model, CP/RAC would continue to operate without core funding, however, CP/RAC can apply for scalable funding through calls for proposals.

INFO/RAC

Under this model, INFO/RAC would not receive any core funding. INFO/RAC can apply for scalable funding through calls for proposals.

PAP/RAC

Under this model, PAP/RAC would receive core funding for the ICZM Protocol and CAMP projects. The Director, Deputy Director, Programme Office Camp, Programme Officer ICZM, and Fund administrator would be covered by the core funding, as well as one administrative assistant. In addition, the MTF should fund up to 50% of budgeted operating costs for the Centre, assuming that another 50% is covered through project funding.

The Centre will be able to obtain a number of sources of funding in addition to this core funding:

- MTF Scalable – Funding can be obtained through proposals that are awarded based on priority and performance. This includes areas where MTF will be used as co-funding for externally funded projects.
- Co-funding – Countries that are directly benefitting from the work of the Centre should co-fund its activities.
- External funding – Funding from external sources that does not require co-funding from the MTF and for which the Centre can charge staff time and overheads.

REMPEC

This model assumes that the status of REMPEC is re-established as a national body with a regional role. Under this model, REMPEC would receive core funding for the activities on the Prevention and Emergency Protocol and Offshore Protocol.⁵ This core funding will include a director and three programme officers (Preparedness, Prevention and Response, and Offshore) and Financial assistant. In addition, the MTF should fund up to 50% of budgeted operating costs for the Centre, assuming that another 50% is covered through project funding.

The Centre will have access to a number of sources of funding, see above.

⁵ For the purpose of estimating appropriate compensation for national staff members in Malta, the review team used cost of living adjusted staff compensation with BP/RAC as the basis.

SPA/RAC

Under this model, SPA/RAC would receive core funding for the activities on the Biodiversity Protocol. This core funding will include a director and four programme officers (Conservation, Species, Habitats, and Marine Protected Areas) and a financial assistant. In addition, the MTF should fund up to 50% of budgeted operating costs for the Centre, assuming that another 50% is covered through project funding.

The Centre will have access to a number of sources of funding, see above.

The proposed changes will result in the following split between core and scalable funding, see table below. The table is based on the 2013 approved budget and includes the reductions that are proposed in this option. It is important to note that reductions such as reclassification and recruiting of national public officers will only be available over time. The table provides the end state assuming all of the recommendations have been implemented.

Table 8: Reduction and re-allocation of 2013 approved budget to core and scalable resources (EUR) to inform implications

RAC	Budget approved in 2013 (A)	Potential cost reductions (B)	Re allocations to scalable (C)	Total budget freed up for SCALABLE activities (B+C)	Total budget dedicated to CORE activities (A – B – C)
BP/RAC	666,381	666,381	0	666,381	0
CP/RAC	2	2	0	2	0
CU	1,663,018	0	0	0	1,663,018
INFO/RAC	25,000	25,000	0	25,000	0
MEDPOL	1,290,866	196,384	575,000	771,384	519,482
PAP/RAC	644,310	0	335,371	335,371	308,939
REMPEC	738,830	250,545	128,749	379,294	359,536
SPA/RAC	656,654	0	339,166	339,166	317,488
Total	5,685,061	1,138,312	1,378,286	2,516,598	3,168,455

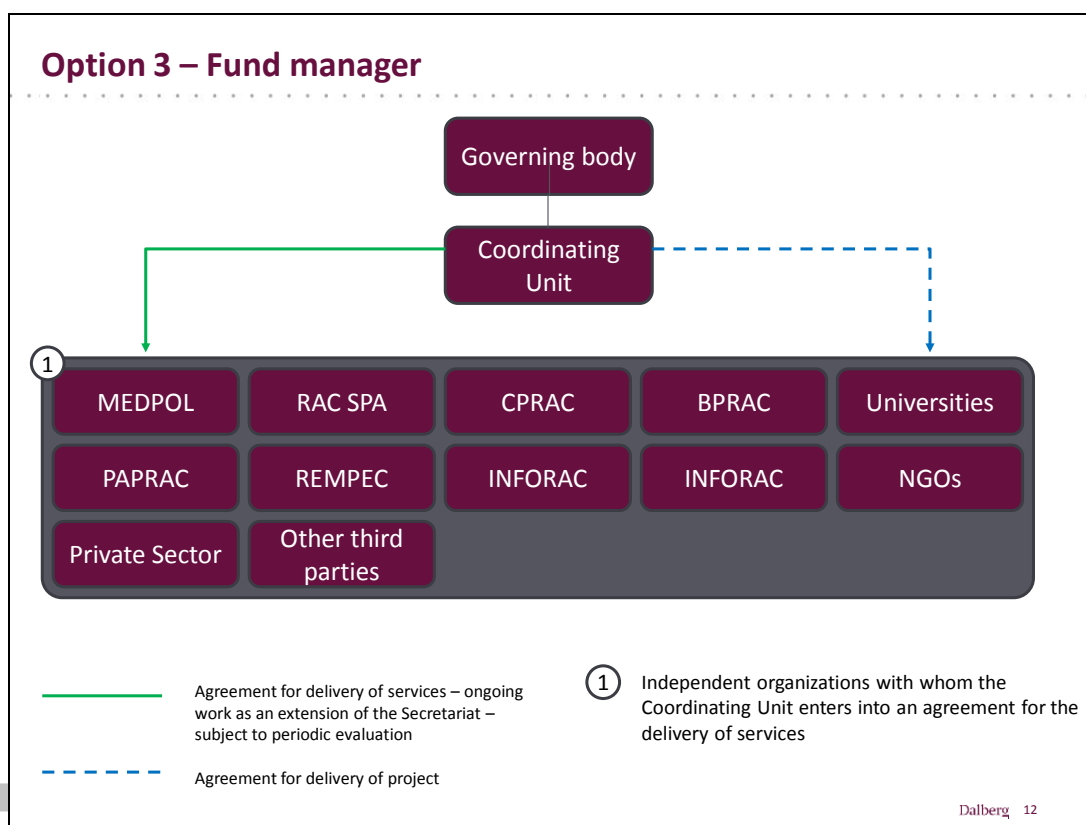
The immediate result would be a reduction in secured funding for the RACs and MEDPOL. To access the scalable funding, the RACs and MEDPOL would have to go through a competitive bidding process. The RACs that work together to improve their offering, respond to the priorities set by the Contracting Parties and demonstrate performance will receive a larger share of the funding. Those RACs that cannot deliver on the priorities or have performance issues will have to take measures to align their organisations with the new funding reality.

6.4. OPTION 3: FUND MANAGER

6.4.1. DESCRIPTION

In this model, the CU is the fund manager of the MTF and supports the Contracting Parties in articulating priorities and sourcing partners for implementation. The figure below provides a simplified graphical view of the system. The paragraphs that follow provide a detailed explanation of the option.

Figure 9: Simplified graphical view of option 3 – Fund manager



This model replaces the model of an integrated UNEP MAP system with that of a funder (CU) /grantee (RAC). The relationship between the CU and the RACs could continue to exist but limited to a contractual agreement. The funder will review the outputs and results achieved by the grantee and make decisions as to the (dis)continuation of the relationship. For core activities, the evaluation would be done periodically, e.g. every two years. For scalable activities, the evaluation would be done mid-term and at the end of each project. Under this option, all hosting agreements between UNEP MAP and government of countries where the RACs are located, would be terminated.

The initial selection of partners should be based on existing relationships with the RACs but future relationships should be competitively sourced, i.e. other partners could apply for the funding as well.

The implications are that the UNEP MAP system would be reduced to the CU that is strengthened to undertake strategic and operational planning, design and manage programmes, as well as monitoring and evaluation functions. The Contracting Parties are responsible for setting the overall funding envelope and the portfolio principles including, for example, thematic areas, geographical areas, and intervention types. The CU will develop calls for proposals to which the RACs and other actors are invited to respond. The CU⁶ will review the proposals and make recommendations to the Bureau. The Bureau (delegated by

⁶ Some organisations, such as UNITAID, have set up an independent body to review proposals and make recommendations to the Governing Body. This helps to inform decisions making by experts and reduces potential conflicts of interest.

the Contracting Parties) will review the proposals and recommendations from the CU and make the final decision.

6.4.2. IMPLICATIONS

CU

The CU has very senior leadership in comparison to Conventions with a similar number of staff members and budget. It is recommended to reclassify both senior leadership posts.

- The D2 post of Executive Coordinator will be reclassified to a D1 post without changes to the terms of reference;
- The D1 post for Deputy Coordinator should be reclassified to a P5 post. The terms of reference should focus on supporting the Executive Coordinator with strategic and operational planning.
- The legal officer post, currently filled by a secondment from the French Government, should be funded through the MTF.
- Two additional P4 posts would be added focused on (1) Design and management of programmes, and (2) Monitoring and evaluation.

MEDPOL

Under this option, all the posts of MEDPOL would be abolished. The activities that MEDPOL currently undertakes for the implementation of the Barcelona Convention and its protocols would be competitively sourced by the CU. Any of the existing RACs or third party organisations would be invited to make a proposal to deliver the activities and deliverables currently delivered by MEDPOL.

RACs

All RACs will start to operate as entities separate from the UNEP MAP system, responsible for their own income and expenditures. On behalf of the Contracting Parties, the CU would go through a competitive process to find partners for the support on the implementation of the Barcelona Convention and its protocols. The partners could include the current RACs or other organisations.

6.5. EVALUATION

The following table provides an overview of the options toward sustainability and their advantages and disadvantages.

Table 10: High level overview of key advantages and disadvantages of the options

Options	Advantages	Disadvantages
Option 1: COST REDUCTION Confirms ties to the RACs and focuses on reducing costs to achieve sustainability	• Changes concentrated in few areas of the system • Change to existing procedures and processes is limited	• Remains difficult to move funding with performance and priorities • Potential need to revisit and undertake a further cost-cutting exercise if the funding situation changes
Option 2: SCALABLE SYSTEM Introduces concept of core and scalable activities allocated through different processes	• Facilitates moving funding with performance and priorities • Makes the system more flexible to go to scale and reduce when needed • Allows a 'lighter' planning process for part of the funding	• May create instability in the system if implemented too quickly
Option 3: FUND MANAGER Severs direct ties between UNEP MAP and the RACs and introduces fund manager / grantee relationship	• Makes the system more flexible to go to scale and contract when needed • Optimal ability to respond to changes due to centralized strategic planning and programme design	• Requires significantly more programmatic capacity in CU • Less footprint of the system in the region • Control over implementation becomes transactional relationship

The most important criterion for a sustainable MAP system is flexibility to respond to the changing needs and priorities for the Mediterranean. Considering the financial crisis and its implications on bilateral aid flows, the option will also have to be able to deal with abrupt changes in the availability of funding.

The recommended option going forward for the MAP system is option 2. A scalable system will allow the Contracting Parties to distinguish between that which is minimally required to maintain the Barcelona Convention and its protocols and that which is scalable and can follow the availability of funding. The risk of instability of the system due to a change to this option can be easily managed by an implementation in multiple steps.

Option 1 is a good alternative that will make the system financially sustainable given the current environment, however, it will not be as useful as the scalable system in terms of adapting flexibly to new funding situations.

Finally, option 3 is not recommended, as it will reduce the effective footprint and direct capacity in the region. Also, the effectiveness of such an option may be less as programmatic capacity has to be built up in both funder and grantee.

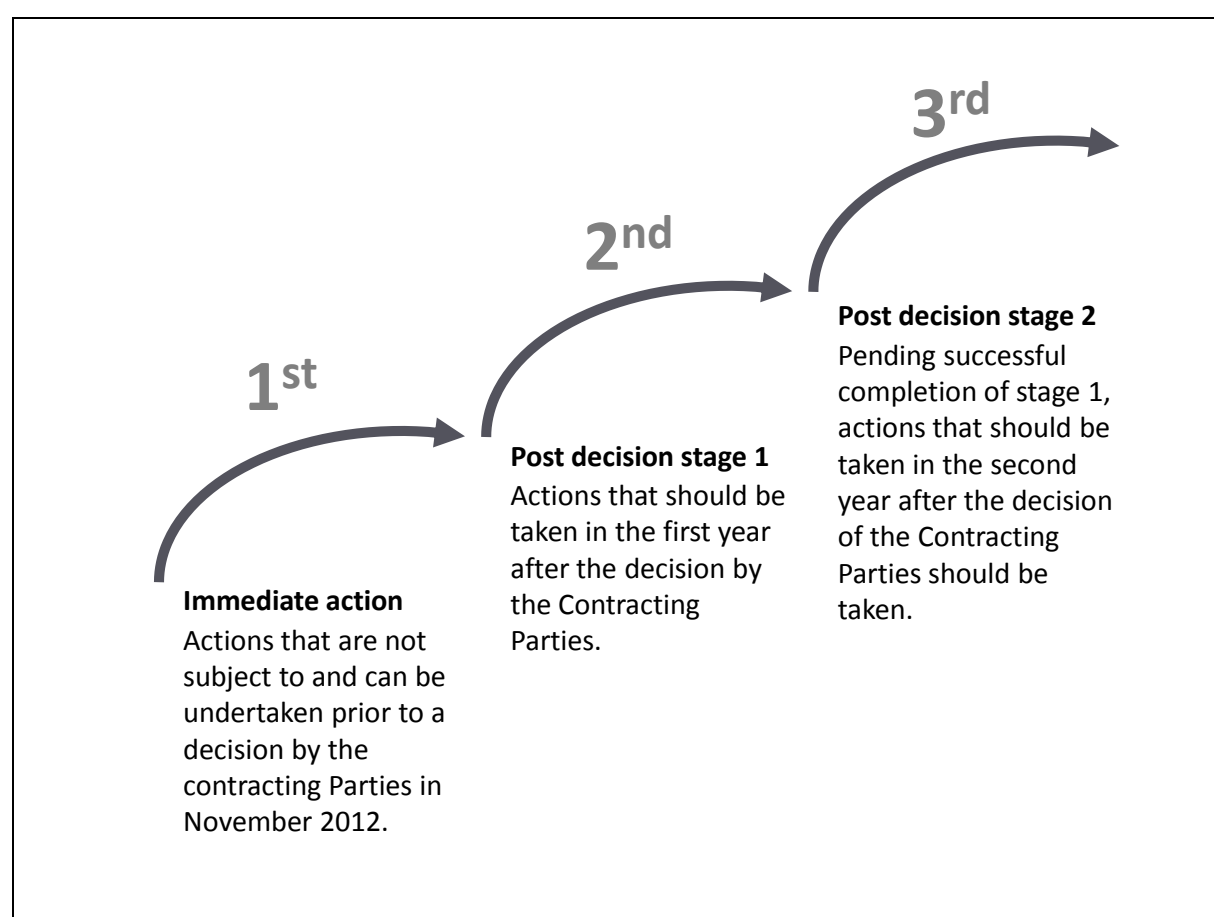
7. IMPLEMENTATION PLAN

The implementation plan puts UNEP MAP firmly on the path towards a system that invests its resources where it achieves the most impact and is flexible to respond to changes in priorities and funding landscape. The implementation plan focuses on the realization of option 2.

The focus of the report is on the development of a new business model for MAP, since the lack of a clear business model has been source for many of the issues identified over the course of the review. By changing the business model, many of the issues will be addressed automatically. However, the business model will take time to implement since the system needs to adjust its structure, capacity, and processes. It is recommended to implement the business model gradually to manage the risk of reduced productivity and instability in the system.

The proposed implementation plan has three time horizons:

Figure 11: Implementation timeline



(1) Immediate action

- Align practices for engaging with external funders. The RACs could benefit from knowledge sharing around developing funding agreements with external parties, in particular on issues such as co-funding in-kind or in cash, and overhead costs.

- Develop blanket agreements with major funders where possible to simplify contracting for individual projects. Standardize contractual agreements based on the good practices in the system, specifying terms for co-funding, project overheads, payment schedules etc.
- Proposal could be developed by representative(s) from the RACs, with guidance from the CU and the Bureau.
- Further engage with the MAP's main source of external funding, the European Commission, to clarify those issues it will be prepared to finance within the UNEP MAP system, in particular for the work of REMPEC.
 - Work with the European Commission and engage with the different departments in the European Commission (i.e. DG EuropeAid Development & Cooperation, DG Environment, DG Climate Action, Maritime Affairs and Fisheries (MARE)) to obtain a more strategic collaboration between UNEP and the European Commission on matters related to the Mediterranean. The objective is to obtain a better insight in the opportunities for UNEP MAP, beyond the voluntary contribution, to work with the European Commission aims to advance the implementation of the Barcelona Convention and its protocols.
- Set up networks between representatives of the RACs focused on critical themes that require recurring attention, e.g. communication, fundraising, proposal pipeline, monitoring and evaluation, financial management.
 - Set up a body that focuses on the operational collaboration within the UNEP MAP system. This could be some version of the current Executive Coordination Panel that is explicitly not part of the governance of the system but part of the management. The operational body should meet on a periodic basis to discuss key areas of collaboration including, for example, joint projects, proposals, and fundraising. It would be a fixed agenda that starts with minutes of the prior meeting.
 - Set up 'communities of practice' supported by an Information Technology solution that allows thematic and functional experts to quickly communicate with their peers within the system.
 - The Coordinator should be tasked with the implementation of the operational management body. The information specialist in the CU should be tasked with the implementation of the networks.
- Confirm rules and regulations around the use of the UNEP and UNEP MAP identity. The distinction between work funded by the MTF and work funded by external donors should be clearly made.
 - Clarify the rules and regulations around using the UNEP, and UNEP MAP brands for communication. The guiding principle should require the brand to be used only for work that has been approved by the Contracting Parties, i.e. funded by the MTF. All other work should not be branded as UNEP or UNEP MAP work.
 - Proposal could be developed by a representative from UNEP based on the corporate standards for use of brand and logo.

(2) Post decision stage 1

- As soon as the decision has been made by the Contracting Parties, the CU should make final preparations for the implementation of the proposed option, including taking the following steps:
 - The Contracting Parties should confirm the proposed split between core funding and scalable funding as identified in this study and determine the timeframe that will be used for the implementation.
 - It is recommended to spread out the implications for funding over two years, freeing up 40% of the potential scalable funding in the first year and the remaining 60% in the second year. This provides some time to the RACs to allow structure, staff, and resources to adapt to the new situation.
 - The CU will lead the implementation of the process for the call for proposals, evaluation, award, monitoring and evaluation. In the first year, only 40% of the potential scalable funding will be allocated through the proposal mechanism, to allow RACs to adjust to the new system.
- Detail the design of the process for the call for proposals, evaluation, award, monitoring, and evaluation. As part of this activity, a detailed proposal will be developed for the Contracting Parties to strengthen Bureau decision, making authority for the proposals.
 - Under Option 2 – scalable system – roughly 50% of the budget will be allocated based on proposals from the RACs. The CU will review the proposals and make recommendations to the Bureau. The Bureau (delegated by the Contracting Parties) will review the proposals and recommendations from the CU and make the final decision. The Contracting Parties will review CU recommendations and Bureau decisions every two years. The Coordinating Unit consolidates the plans, for core and scalable funding and works, with the RACs to develop an integrated programme and budget for approval by the Contracting Parties.
 - The Coordinator should be tasked with the proposed detailed design of this process based on the proposal in this report. As this covers 50% of the budget, the process for proposal selection has to remain simple, taking into account priorities and performance, while focusing on the best return in terms of results.
- Develop results framework for the implementation of the recommendations. Indicators may include: MTF/Total disbursement, actual/budget on activities, co-financing of externally funded projects, co-financing from beneficiary countries, staff satisfaction.
- Develop proposal to standardize co-funding from beneficiary countries for work funded by the MTF. This should include situations where the MTF is used to co-fund projects with external donors that benefit specific countries. Co-funding is an existing practice that would benefit from rules and regulations to avoid different practices across the system.
 - Co-funding rules and regulations will only be applicable to country specific work funded by the MTF, i.e. for activity category 2 or 4. The principles to follow when articulating the co-funding rules and regulations should include: (1) Rules should be applied without exception, (2) Rules should be equitable, e.g. based on the assessed contribution for instance, and (3) Rules should be consistent across the system.
 - Proposals could be developed by (a) representative(s) from the RACs, with guidance from the CU and the Bureau.
- Finalize implementation of the Governance Paper, including host agreements for the RACs that have a role as the Secretariat of the Stockholm Convention and its protocols.

- Hosting agreements are not a prerequisite for RACs that do not have a role in activity category 1 – Secretariat of the Convention. The relationship with RACs that are only recipients of scalable funding can be governed completely by project funding arrangements.
- The principle to be followed for the hosting agreements is that it should confirm the role of UNEP MAP in governance of the Centre as a provider of funding but not detail how the RAC operates. As a member of the Governing Body of the Centre, UNEP MAP will oversee the activities of the Centre and have a role in approval of its strategy, PoW, and selection of key staff.
- Implement proposed changes to structure and staffing of RACs where these are not forced by the change in the business model, i.e. the status change for REMPEC and the changes to the CU.
 - Reestablish REMPEC as a national body with a regional function. Depending on the exact way the transition will happen, this step will require an estimated initial investment of 150,000 to 500,000 Euros in separation indemnities and related legal work. The low end of the estimate assumes that all staff currently employed continue under the new conditions and receive a separation indemnity for the contractual change. The high end assumes that all staff contracts are abolished and includes around 100,000 Euro for transition costs, including legal and human resources services.
 - Reclassify the leadership positions in the CU.
- Operationalize ECP to coordinate on management (strategic and operational planning, implementation, monitoring). The ECP should become an operational management body, chaired by the CU, with a fixed agenda that focuses on implementation progress, project pipeline, and opportunities for collaboration.
 - Implement proposal developed by the Coordinator in the first phase.
- Change the focal point system to follow programmes rather than RACs. Some of the themes cut across the RACs and are not well served by having national FPs for the RACs. Making FPs programmatic will fix that issue and contribute to a better coordinated system.
 - The RACs are collaborating on many of the major programs currently underway in the system. As this is an important factor for the added value of the system, this study aims to maintain and reinforce this trend. The current feedback mechanism of national FPs will need to change to ensure continued relevance. A change in the mechanism of RAC FPs to thematic FPs eliminates a geographic focus and forces FPs to have a more holistic view of the issues in the Mediterranean while providing specific guidance on their thematic expertise.
 - Proposal to be developed by the Coordinator with guidance from the Bureau.
- Confirm the terms of reference with the FPs through an agreement that is signed by the FP and the UNEP MAP system.

- Strengthen the role of the FPs by developing an agreement, an intention to deliver on roles and responsibilities, signed by both a representative of the UNEP MAP system as well as the FP.
- Proposal should be developed by the Coordinating Unit.
- Develop progress report on the implementation of the recommendations and indicators of impact on the flexibility and performance of the organisation
 - Develop results framework for the implementation of the recommendations of study and periodically report to the Bureau and Contracting Parties. Indicators may include: disbursement and resource mobilization.

(3) Post decision stage 2

- Extend the implementation of the business model:
 - Free up the remaining 60% of the potential scalable funding.
 - Implement process for the call for proposals, evaluation, and award for the remaining scalable funding.
- As the system implements the new business model and shows its impact, the CU should make the case for an increase in funding to address the scalable work for the 2015-2020 PoW.
- Define strategic partnerships with the EU and key regional initiatives such as the Union for the Mediterranean within the context of the 2015-2020 PoW. Partnerships should be explored both strategically as well as very practically in order to assess the potential for synergizing efforts.
- Conduct independent evaluation of the new business model and report to the Contracting Parties.

