

RC-1/17: Financing and budget for the biennium 2005–2006

The Conference of the Parties,

Recalling paragraph 4 of article 18 of the Convention,

1. *Invites* the Executive Director of the United Nations Environment Programme to establish on an interim basis for the period 2005-2006:
 - (a) A general trust fund for the operational budget;
 - (b) A voluntary special trust fund;
2. *Approves* the operational budget of 3,667,041 United States dollars for 2005 and an indicative operational budget of 3,542,159 United States dollars for 2006 for the purposes set out in table 1 of the present decision;
3. *Decides* that the indicative figure for 2006 will be reconsidered at the second meeting of the Conference of the Parties on the basis of recommendations made by the head(s) of the Convention secretariat;
4. Welcomes the annual contribution of 1.2 million euros pledged by the host Governments of the Convention secretariat to offset planned expenditures;
5. *Adopts* the indicative scale of assessments for the apportionment of expenses for 2005 and provisionally for 2006 as contained in table 2 of the present decision, and authorizes the head(s) of the Convention secretariat, in keeping with the financial rules, to adjust the scale to include all Parties for which the Convention enters into force before 1 January 2005 for 2005, and before 1 January 2006 for 2006;
6. *Invites* the United Nations Environment Programme and the contributors to the trust fund established for the interim phase of the Convention to transfer the unused balance of that fund to one of the trust funds referred to in paragraph 1 above, and requests the head(s) of the Convention secretariat to account for the funds thus transferred;
7. *Invites* the governing bodies of the United Nations Environment Programme and the Food and Agriculture Organization of the United Nations to continue their financial support for the operation of the Convention and its secretariat in 2005 and 2006;
8. Approves the staffing table of the Convention secretariat for the operational budget for 2005 and indicative staffing table for 2006 as contained in table 3 of the present decision;
9. *Invites* the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants at its first meeting to consider, if feasible and appropriate, co-financing in 2006 the position of a joint head of the secretariats of both the Stockholm and Rotterdam conventions at the level of D-1;
10. *Authorizes* the head(s) of the Convention secretariat to make transfers of up to 20 per cent of one main appropriation line of the approved budget to other main appropriation lines;
11. *Authorizes* the head(s) of the Convention secretariat to make commitments up to the level of the approved operational budget, drawing on available cash resources;
12. *Decides* to set the minimum working capital reserve for 2005–2006 at a level of 8.3 per cent of the estimated expenditure of the operational budget, including programme support costs;
13. *Decides further* that designated contributions from the surplus of the General Trust Fund for the interim phase of the Convention should, and any contributions from non-Parties in accordance with paragraph 14, shall, be added to the working capital reserve for 2005–2006 for the purpose of increasing its level to 15 per cent of the estimated expenditure of the operational budget, including programme support costs, for the year 2006;

14. *Decides* that a non-party to the Convention may contribute to the General Trust Fund in 2005–2006 for the purpose of augmenting the working capital reserve;

15. *Takes note* of the funding estimates for activities under the Convention to be financed from the voluntary special trust fund included in table 4 of the present decision; and urges Parties and invites non-parties as well as other sources to contribute to this fund;

16. *Decides* that, on an exceptional basis and subject to available resources, funding for participation from the voluntary special trust fund may be made available to developing countries, in particular least developed countries, and to countries with economies in transition which provide a clear commitment towards becoming parties to the Convention. Evidence of such political commitment may, among other things, take the form of a written assurance to the head(s) of the Convention secretariat that the country intends to become a party to the Convention;

17. *Invites* Parties to note that contributions to the operational budget for a calendar year are expected on 1 January of that year, and urges Parties in a position to do so to pay their contributions promptly and in full, and in this regard requests that Parties be notified of the amount of their contributions for a given year by 15 October of the previous year;

18. *Invites* Parties to notify the head(s) of the Convention secretariat of all contributions that they make to the operational budget at the time such payments are made;

19. *Requests* the head(s) of the Convention secretariat to publish a list of assessed contributions received on the web site of the Convention and to keep this list up to date;

20. *Requests* the head(s) of the Convention secretariat to report on the secretariat's activities, income and budget for 2005 and 2006, to prepare a budget for the biennium 2007–2008 and to make recommendations on the future trusteeship of the Convention trust funds to the Conference of the Parties at its third meeting;

21. *Notes* the need to facilitate priority-setting by providing Parties with timely information on the financial consequences of different options, taking into account paragraph 18, and, to this end, requests the head(s) of the Convention secretariat to include in the proposed operational budget for the biennium 2007–2008 three alternatives based on:

- (a) His or her assessment of the required rate of growth of the operational budget;
- (b) Maintaining the operational budget at the 2005–2006 level in nominal terms;
- (c) Increasing the operational budget at the 2005–2006 level by 10 per cent in nominal terms;

22. *Requests* the head(s) of the Convention secretariat to provide the Parties with an indication of the staffing and financial implications of recommendations that have been forwarded to the Conference of the Parties at its future meetings;

23. *Requests* the head(s) of the Convention secretariat, in the light of the decision on the location of the secretariat and the experience of other international agreements and institutions, and within available resources, to undertake a study of the advantages and disadvantages of using the euro, the Swiss franc or the United States dollar as the currency of the accounts and budget of the Convention for consideration by the Conference of the Parties at its third meeting.

Table 1**Operational budget for 2005 and indicative operational budget for 2006 (in US dollars)**

	2005	2006
Ensure effective functioning of the COP		
<i>COP2 and COP3</i>		
Conference Services	435,536	435,536
Subtotal	435,536	435,536
<i>CRC1 and CRC2</i>		
Conference Services	110,372	110,372
Experts travel	85,630	85,630
Subtotal	196,002	196,002
<i>Compliance Committee</i>		
Ad hoc working group meeting	20,000	0
Conference Services	0	0
Experts travel	0	0
Subtotal	20,000	0
Study on financial mechanism	100,000	0
Office automation and databases		
Software/Hardware	75,000	75,000
Consultants/sub-contracts	20,000	20,000
Subtotal	95,000	95,000
Core secretariat costs		
Professional Personnel	1,462,800	1,710,400
Consultants	25,000	25,000
Administrative support	475,125	475,125
Official travel	100,000	100,000
Equipment and premises	40,000	40,000
Miscellaneous	47,000	47,000
Subtotal	2,149,925	2,397,525
Total activities	2,996,463	3,124,063
Administrative overheads (13%)	389,540	406,128
Subtotal activities and administrative overheads	3,386,003	3,530,191
Working capital reserve (8.3 %)	281,038	11,968
Total operational budget	3,667,041	3,542,159
Host country contribution	1,444,043 ^a	1,444,043 ^a
Total to be covered by assessed contributions	2,222,998	2,098,116

Table 2

Indicative scale of assessments for the apportionment of contributions

	United Nations scale of assessment 2004-2006	Scale for the Trust Fund with 22% ceiling and 0.01% base	Contributions per country	Provisional contributions per country
<i>Member State</i>	<i>Percentage</i>	<i>Percentage</i>	2005	2006
Argentina	0.956	1.490	33,116	31,256
Armenia	0.002	0.010	222	210
Australia	1.592	2.481	55,148	52,050
Austria	0.859	1.339	29,756	28,084
Belgium	1.069	1.666	37,031	34,950
Benin	0.002	0.010	222	210
Bolivia	0.009	0.014	312	294
Brazil	1.523	2.373	52,757	49,794
Bulgaria	0.017	0.026	589	556
Burkina Faso	0.002	0.010	222	210
** Burundi	0.001	0.010	222	210
Cameroon	0.008	0.012	277	262
Canada	2.813	4.383	97,444	91,969
Chad	0.001	0.010	222	210
* Cook Islands	0.001	0.010	222	210
Côte d'Ivoire	0.010	0.016	346	327
Czech Republic	0.183	0.285	6,339	5,983
Democratic People's Republic of Korea	0.010	0.016	346	327
Denmark	0.718	1.119	24,872	23,475
Ecuador	0.019	0.030	658	621
El Salvador	0.022	0.034	762	719
Equatorial Guinea	0.002	0.010	222	210
Ethiopia	0.004	0.010	222	210
Finland	0.533	0.831	18,463	17,426
France	6.030	9.396	208,882	197,147
Gabon	0.009	0.014	312	294
Gambia	0.001	0.010	222	210
Germany	8.662	13.498	300,055	283,199
Ghana	0.004	0.010	222	210
Greece	0.530	0.826	18,359	17,328
Guinea	0.003	0.010	222	210
Hungary	0.126	0.196	4,365	4,119
** Iran (Islamic Republic of)	0.157	0.245	5,439	5,133
Italy	4.885	7.612	169,218	159,712
Jamaica	0.008	0.012	277	262
Japan	19.468	22.000	489,060	461,585
Jordan	0.011	0.017	381	360
Kyrgyzstan	0.001	0.010	222	210
Latvia	0.015	0.023	520	490
** Liberia	0.001	0.010	222	210
Libyan Arab Jamahiriya	0.132	0.206	4,573	4,316
Liechtenstein	0.005	0.010	222	210
Lithuania	0.024	0.037	831	785
Luxembourg	0.077	0.120	2,667	2,517

	United Nations scale of assessment 2004-2006	Scale for the Trust Fund with 22% ceiling and 0.01% base	Contributions per country	Provisional contributions per country
** Madagascar	0.003	0.010	222	210
Malaysia	0.203	0.316	7,032	6,637
Mali	0.002	0.010	222	210
Marshall Islands	0.001	0.010	222	210
Mongolia	0.001	0.010	222	210
Netherlands	1.690	2.633	58,542	55,254
New Zealand	0.221	0.344	7,656	7,225
Nigeria	0.042	0.065	1,455	1,373
Norway	0.679	1.058	23,521	22,200
Oman	0.070	0.109	2,425	2,289
Panama	0.019	0.030	658	621
Paraguay	0.012	0.019	416	392
Republic of Korea	1.796	2.799	62,214	58,719
Romania	0.060	0.093	2,078	1,962
Rwanda	0.001	0.010	222	210
Samoa	0.001	0.010	222	210
Saudi Arabia	0.713	1.111	24,699	23,311
Senegal	0.005	0.010	222	210
Slovenia	0.082	0.128	2,841	2,681
South Africa	0.292	0.455	10,115	9,547
Spain	2.520	3.927	87,294	82,390
Suriname	0.001	0.010	222	210
Sweden	0.998	1.555	34,571	32,629
Switzerland	1.197	1.865	41,465	39,135
Syrian Arab Republic	0.038	0.059	1,316	1,242
Thailand	0.209	0.326	7,240	6,833
Togo	0.001	0.010	222	210
Ukraine	0.039	0.061	1,351	1,275
United Arab Emirates	0.235	0.366	8,141	7,683
United Kingdom of Great Britain and Northern Ireland	6.127	9.548	212,242	200,319
United Republic of Tanzania	0.006	0.010	222	210
Uruguay	0.048	0.075	1,663	1,569
European Community	2.500	2.500	55,575	52,453
	70.317	100.000	2,222,998	2,098,116

Source: United Nations General Assembly Fifty Eighth session, Agenda item 124, Document A/RES/58/1 B

* Not a UN member state and has no established UN scale of assessment. Rate similar to other small island states is applied
Member States to become Parties by 1 January

** 2005

Total operational budget 2005	3,667,041	
Host Country contribution	1,444,043	Contribution of 1.2 million Euros
Total to be covered by assessed contributions	2,222,998	
Total indicative budget 2006	3,542,159	
Host country contribution	1,444,043	Contribution of 1.2 million euros
Total to be covered by assessed contributions	2,098,116	

Host country contribution according to United Nations exchange rate (0.831) for September 2004

Table 3
Staffing table of the Convention secretariat

Staff category and level		2005 budget	2006 budget
A.	Professional category		
	¹ D-1	0.5	0.5
	P-5	2.0	2.0
	² P-4	4.0	4.0
	P-3	3.0	5.0
	P-2	2.0	2.0
	Subtotal	11.5	13.5
B.	General Service category	5.3	5.3
	Total (A + B)	16.8	18.8

¹ It is expected that UNEP/FAO will provide the funding for the remainder of the D1's time

² Includes one Finance Officer funded from programme support costs

Table 4
Funding estimate for activities under the voluntary special trust fund
(in US dollars)

		2005	2006
Participants' travel			
	Participants' travel COP	352,039	369,641
Subtotal activities		352,039	369,641
Administrative overheads (13%)		45,765	48,053
Total		397,804	417,694
Facilitation of implementation and ratification			
	Technical assistance	255,000	400,000
	Printed material	43,000	45,150
	Web site	10,000	10,500
Subtotal activities		308,000	455,650
Administrative overheads (13%)		40,040	59,235
Total		348,040	514,885
Overall total of activities under the voluntary special trust fund		745,844	932,579