

Agenda Item 22.5

Consideration and Preparation of Draft
Resolutions for MOP 6

Financial, Budgetary and Administrative
Matters 2010-12

Document 10

**Draft Resolution on Financial,
Budgetary and Administrative Matters
2010-12**

Action Requested

- Propose amendments of the draft resolution text
- Endorse the draft resolution
- Decide on the budgetary scenario/s to be forwarded to the MOP

Submitted by

Secretariat



NOTE:
**IN THE INTERESTS OF ECONOMY, DELEGATES ARE KINDLY REMINDED TO BRING THEIR OWN
COPIES OF DOCUMENTS TO THE MEETING**

Secretariat's Note

1. This draft resolution does not yet contain a budget proposal to be forwarded to the MOP, since several scenarios will be considered by the Advisory Committee.
2. The budget proposal for the triennium 2010-2012 as developed by the Secretariat can be found, along with extensive explanations, in AC16/Doc.12, which is currently kept in restricted circulation until Parties have decided whether to discuss this item in closed session or not.

DRAFT RESOLUTION
Financial, Budgetary and Administrative Matters
2010-2012

Recalling Article 6.1 c) of the Agreement on the Conservation of Small Cetaceans of the Baltic and North Seas (hereinafter referred to as "the Agreement"), which states that the Meeting of Parties shall consider and decide upon "the establishment and review of financial arrangements and the adoption of a budget for the forthcoming three years";

Having regard to Article 7 of the Agreement, which states that the Parties agree to share the cost of the budget according to the United Nations scale of assessment and that these sums shall be paid to the government or international organization hosting the Secretariat;

Recalling the Resolution on Financial and Budgetary Matters adopted at the Fifth Session (The Hague, Netherlands, December 2006);

Recognizing the need to provide sufficient resources, including manpower, to enable the Secretariat of the Agreement to continue to carry out the Agreement's Work Plan and to serve its Parties;

Appreciating the willingness of the Parties to the Convention on Migratory Species (CMS) to continue to provide Secretariat services to ASCOBANS (CMS Res.9.14, Rome, Italy, December 2008);

Accepting that CMS will not bear any additional costs arising in connection with the organizational solution for ASCOBANS;

Expecting that the Secretariat of the Agreement shall cooperate effectively with other Agreement Secretariats within the UNEP/CMS Agreements Unit;

Noting with appreciation the establishment of a CMS Information, Capacity Building and Fundraising Unit, which offers to provide services to the co-located Agreement Secretariats if these agree to contribute to the expenditures involved;

Appreciating that the financial situation of the Agreement has improved markedly since the previous Session as a result of the change in currency for subscriptions, substantial in-kind support received and careful stewardship by the Secretariat;

Supporting the efforts of the Secretariat to find the most cost-effective solution for Information Technology Services for the Secretariat;

Giving special thanks to the German Government for providing, and agreeing to continue to provide, the accommodation for the Secretariat on a rent-free basis and its annual voluntary contribution of 25,600 Euro in support of special measures and projects aimed at improving the implementation of the Agreement;

Acknowledging with appreciation also the additional support provided by various Parties on a voluntary basis to contribute to the implementation of the Agreement;

The Meeting of the Parties:

1. *Adopts* the budget for 2010-2012 attached as Annex 1 to this resolution and agrees to the scale of annual contributions contained in Annex 2.
2. *Reiterates* that in accordance with Paragraph 7.2 of the Agreement, the annual contributions are to be paid in fully convertible Euros as soon as practicable after the end of March and no later than the end of June of the calendar year to which they relate;
3. *Agrees* that there shall be maintained a working capital at a constant level of at least 15 per cent of estimated annual expenditure or three months' salaries, whichever is higher;
4. *Takes note* of the medium-term plan for 2009-2015 attached at Annex 3 to this resolution;
5. *Invites* Parties and Non-Party Range States, governmental, intergovernmental and nongovernmental organizations to make voluntary contributions towards special activities for the implementation of the Agreement;
6. *Also invites* Non-Party Range States, governmental, intergovernmental and non-governmental organizations and other sources to consider contributing to the implementation of the Agreement on a voluntary basis;
7. *Encourages* Parties to consider financing Junior Professional Officers or providing interns, volunteers and technical experts to the Secretariat to increase its capacity in accordance with the United Nations rules and regulations and to agree on providing modest funding within the approved budget of the Agreement to cover the applicable overhead charges for such staff;
8. *Instructs* the Secretariat to report on its income and expenditure to the Advisory Committee at each of its meetings, and to report back to the Meeting of Parties at its next session;
9. *Authorizes* the Advisory Committee to decide upon withdrawals from the Trust Fund reserve in the event of unforeseen major shortfalls on established budget lines and subject to the provision of satisfactory documentation by the Secretariat;
10. *Decides* that the standard participation fee for Observers to the 7th Meeting of the Parties shall be 120 Euros;
11. *Requests* the Executive Director of UNEP to extend the duration of the trust fund to 31 December 2012;
12. *Invites* the Executive Director of UNEP to consider, on a case-by-case basis, the allocation of financial resources from the income generated under the Programme Support Costs from the Trust Fund for voluntary contributions (XV Fund) for the implementation of activities;
13. *Requests* the Executive Director of UNEP to consider, as appropriate, providing financial support for special activities;
14. *Approves* the Terms of Reference for the administration of the Trust Fund as set out in Annex 4 to this Resolution, for the period 2009-2012.

Annex 1

Budget Estimates for 2010-2012 – ASCOBANS Trust Fund (BA) in Euro

Annex 2

**Scale of Contributions by Parties
to the UNEP/ASCOBANS Trust Fund for 2010-2012 in Euro**

Annex 3

Medium Term Plan for 2010-2015 in Euro

Annex 4

TERMS OF REFERENCE FOR THE ADMINISTRATION OF THE TRUST FUND FOR THE AGREEMENT ON THE CONSERVATION OF SMALL CETACEANS OF THE BALTIC AND NORTH SEAS

1. The Trust Fund for the Agreement on the Conservation of Small Cetaceans of the Baltic, North East Atlantic, Irish and North Seas (hereinafter referred to as the Trust Fund) shall be extended for a period of three years to provide financial support for the aims of the Agreement, taking into account the merger of the ASCOBANS Secretariat with the Secretariat of CMS, but maintaining a separate budget for ASCOBANS.
2. The financial period shall be for three calendar years beginning 1 January 2010 and ending 31 December 2012.
3. The Trust Fund shall be administered by the Executive Director of the United Nations Environment Programme (UNEP), subject to the approval of the Governing Council of UNEP and the consent of the Secretary-General of the United Nations.
4. The administration of the Trust Fund shall be governed by the Financial Regulations and Rules of the United Nations, the Staff Regulations and Rules of the United Nations, and other administrative policies or procedures, promulgated by the Secretary-General of the United Nations.
5. In accordance with United Nations rules, UNEP shall deduct from the income of the Trust Fund an administrative charge equal to 13 per cent of the expenditure charged to the Trust Fund in respect of activities financed under the Trust Fund.
6. In the event that the Parties wish the Trust Fund to be extended beyond 31 December 2012, the Executive Director of UNEP shall be so advised in writing immediately after the sixth session of the Meeting of Parties. It is understood that such extension of the Trust Fund shall be decided at the discretion of the Secretary-General of the United Nations.
7. The financial resources of the Trust Fund for 2010-2012 shall be derived from:
 - (a) The contributions made by the Parties by reference to Annex 2, including contributions from any new Parties;
 - (b) Further contributions from Parties and contributions from States not Parties to the Agreement, other governmental, intergovernmental and non-governmental organisations and other sources.
8. All contributions to the Trust Fund shall be paid in Euros. For contributions from States that become Parties after the beginning of the financial period, the initial contribution (from the thirtieth day after deposit of the instrument of ratification, acceptance or accession until the end of the financial period) shall be determined pro rata based on the contribution of other States Parties on the same level on the United Nations scale of assessment, as it applies from time to time. However, if the contribution of a new Party determined on this basis would be more than 20 per cent of the budget, the contribution of that Party shall be 20 per cent of the budget for the financial year of joining (or pro rata for a part-year). Contributions of Parties acceding to the Agreement during the ongoing triennium will not be used to reduce the subscriptions of existing Parties during that triennium, but will rather flow into the Agreement trust fund. Contributions for all Parties throughout the triennium 2010-

2012 shall be based on the UN Scale of Assessments applicable at the time of adoption of this resolution. Contributions shall be paid in annual instalments. The contributions shall be due on 1 January 2010, 2011 and 2012. Contributions shall be paid into the following account:

**UNEP Euro Account
Account No. 6161603755
JP Morgan AG
Gruneburgweg 2
60322 Frankfurt/Main
Germany
Bank code number 501 108 00
SWIFT No. CHASDEFX
IBAN: DE 56501108006161603755**

9. For the convenience of the Parties, for each of the years of the financial period the Executive Director of UNEP shall as soon as possible notify the Parties to the Agreement of their assessed contributions.

10. Contributions received into the Trust Fund that are not immediately required to finance activities shall be invested at the discretion of the United Nations, and any income shall be credited to the Trust Fund.

11. The Trust Fund shall be subject to audit by the United Nations Board of Auditors.

12. The budget estimates covering the income and expenditure for each of the three calendar years constituting the financial period to which they relate, prepared in Euros, shall be submitted to the ordinary session of the Meeting of Parties to the Agreement.

13. The estimates of each of the calendar years covered by the financial period shall be divided into sections and objects of expenditures, shall be specified according to budget lines, shall include references to the programmes of work to which they relate, and shall be accompanied by such information as may be required by or on behalf of the contributors, and such further information as the Executive Director of UNEP may deem useful and advisable. In particular estimates shall also be prepared for each programme of work for each of the calendar years, with expenditure itemised for each programme so as to correspond to the sections, objects of expenditure, and budget lines described in the first sentence of this paragraph.

14. In addition to the budget estimates for the financial period described in the preceding paragraphs, the Secretariat of the Agreement, in consultation with the Advisory Committee and the Executive Director of UNEP, shall prepare a medium-term plan as envisaged in Chapter III of the Legislative and Financial Texts Regarding the United Nations Environment Programme and the Environment Fund. The medium-term plan will cover the years 2010-2015, inclusive, and shall incorporate a draft budget for the financial period 2010-2015.

15. The proposed budget and medium-term plan, including all the necessary information, shall be dispatched by the Secretariat to all Parties at least ninety days before the date fixed for the opening of the ordinary session of the Meeting of Parties.

16. The budget and medium-term plan shall be adopted by a three-quarters majority of the Parties present and voting at the ordinary session.

17. In the event that the Executive Director of UNEP anticipates that there might be a shortfall in resources over the financial period as a whole, the Executive Director shall consult with the Secretariat, who shall seek the advice of the Advisory Committee through the Chair as to its priorities for expenditure.

18. Commitments against the resources of the Trust Fund may be made only if they are covered by the necessary income of the Agreement. No commitments shall be made in advance of the receipt of contributions. In the case of voluntary (non-statutory) contributions by Parties or non-Party Range States, commitments may be made immediately upon conclusion of the relevant donor agreement.

19. At the beginning of the first calendar year of a triennium, the Secretariat, after seeking the advice of the Parties through the Chair of the Advisory Committee, shall be authorised to allocate the surplus of the previous triennium left in the Trust Fund above and beyond the six-month operational reserve¹ to reducing the annual contributions of Parties for the second and third years of that triennium, in accordance with their scales of assessments for the ASCOBANS budget.

20. Upon the request of the Secretariat of the Agreement, after seeking the advice of the Advisory Committee, the Executive Director of UNEP should, to the extent consistent with the Financial Regulations and Rules of the United Nations, make transfers from one budget line to another. At the end of any calendar year within the financial period, the Executive Director of UNEP may transfer any uncommitted balance of appropriations to the following calendar year, provided that the total budget approved by the Parties is not exceeded, unless this is specifically sanctioned in writing by the Advisory Committee.

21. At the end of each calendar year within the financial period², the Executive Director of UNEP shall submit to the Parties, through the UNEP/ASCOBANS Secretariat, the accounts for the year. The Executive Director shall also submit, as soon as practicable, the audited accounts for the financial period. These shall include full details of actual expenditure compared to the original provisions for each budget line.

22. Those financial reports required to be submitted by the Executive Director of UNEP shall be transmitted simultaneously by the Secretariat of the Agreement to the members of the Advisory Committee.

23. The Secretariat of the Agreement shall provide the Advisory Committee with an estimate of proposed expenditures over the coming year simultaneously with, or as soon as possible after, distribution of the accounts and reports referred to in the preceding paragraphs.

24. The present terms of reference shall be effective from 1 January 2010 to 31 December 2012.

¹ The operational reserve amounts to 15% of the budget of a calendar year or three months' salaries, whichever is higher.

² The calendar year 1 January to 31 December is the accounting and financial year, but the accounts official closure date is 31 March of the following year. Thus, on 31 March the accounts of the previous year have to be closed, and it is only then that the Executive Director can submit the accounts of the previous calendar year.