

Agenda Item 8.2

Administrative and Budgetary Issues

Report of the Secretariat on Finance and
Administrative Issues 2007-2009

**Document 8-02
(restricted)**

**Report of the Secretariat on Finance
and Administrative Issues 2007-2009**

Action Requested

- Take note of the report
- Comment
- Consider its implications for future budgetary and staffing arrangements

Submitted by

Secretariat



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

REPORT OF THE SECRETARIAT ON FINANCE AND ADMINISTRATIVE ISSUES 2007-2009

I. Introduction

1. Pursuant to Article 4.3 of the Agreement on the Conservation of Small Cetaceans of the Baltic and North Seas, the Secretariat hereby presents a summary report on, *inter alia*, progress made and difficulties encountered since the last meeting of Parties.

2. This paper focuses exclusively on the Agreement's finances and administration. Other aspects will be reported separately in MOP6/Doc.5-02.

II. Location and Status of the Secretariat, Staff Arrangements

1. Location and Status of the Secretariat

3. In line with MOP3 Resolution 1, the ASCOBANS Secretariat has been formally integrated with the CMS Agreements Unit since 1 January 2001. The Secretariat receives support from the Administrative and Fund Management Unit (AFMU) of CMS.

4. Since June 2006, all Bonn-based UNEP Secretariats have been located in the new UN Campus, a fully refurbished historical high-rise building. Office space is provided free of charge by the German government. The building also includes in-house conference rooms suitable for up to 180 participants and equipped for simultaneous interpretation, which are available to the Secretariat at no cost.

5. At the 5th Meeting of Parties it was decided that from 1 January 2007 the UNEP/CMS Secretariat would serve as the secretariat pursuant to provision No. 4 of the ASCOBANS Agreement, and the Executive Secretary of UNEP/CMS would be the acting Executive Secretary for ASCOBANS (Res. 2d of 2006). This arrangement was made for a provisional three year period.

6. Parties requested the Executive Director of UNEP to undertake an independent evaluation of the new Secretariat arrangements in mid-2008. The Netherlands kindly provided the funds for this review. The Executive Director gave the responsibility for the study to the UNEP Evaluation and Oversight Unit, which agreed final Terms of Reference for the Evaluation of the "New Arrangements for the ASCOBANS Secretariat (2007-2009)" with the government of the Netherlands, based on a draft provided by AC15. The consultant visited the Secretariat's offices in Bonn in September 2008, accompanied by a staff member of the UNEP Evaluation and Oversight Unit. The evaluator wished to see supporting material and requested explanations relating to all issues under scrutiny, which the Secretariat provided. Thus, supporting this study has taken considerable time for each member of the small team in preparation of, during, and following this visit to Bonn. The Final Draft Report was transmitted to the Secretariat by Mr Martin Lok of the Netherlands on 27 November 2008. It was forwarded to the ASCOBANS Parties on 30 November. Comments of the Secretariat are contained in AC16/Doc.16. The Final Evaluation Report is also available to Parties as MOP6/Doc.8-01.

7. The CMS Standing Committee at its 33rd and 34th meetings in September and November 2008 discussed progress in implementing and reviewing the merger of the Secretariats. After taking account of the views expressed by the Executive Director of UNEP the Committee recommended to the CMS Conference of the Parties that ASCOBANS Parties should be given the first opportunity to consider the results of the

independent evaluation during the next intersessional period (i.e. 2009-11) and report their findings to the CMS Standing Committee.

8. The merger was subsequently discussed at the 9th CMS COP (1-5 December 2008). The United Nations Environment Programme (UNEP) gave a progress report on the review: the report was at that moment still in the process of finalization. In the interim, the experimental merger was set to continue until the end of the trial period in December 2009, for which there were no budgetary implications in addition to those already accounted for when the merger was agreed.

9. The Financial and Administrative Resolution (CMS Resolution 9.14) passed by the COP on 5 December 2009 states as follows :

“The CoP ... confirms the willingness that the CMS Secretariat continues to provide Secretariat services to ASCOBANS in the next triennium, and:

(a) Invites the Meeting of the Parties of ASCOBANS to discuss the final draft review document in 2009, to decide on the best organizational solutions for ASCOBANS to be implemented from 1 January 2010, and to report their conclusions to the Standing Committee of CMS and to the Working Group for the Future Shape of CMS;

(b) Instructs the Standing Committee to finalize in 2009, in consultation with the ASCOBANS Parties, the organizational arrangements for 2010 and onwards, taking into account that CMS will not bear any additional costs arising in connection with a definitive organizational solution for ASCOBANS;”

2. Personnel/Staff Arrangements

10. Several changes to the Secretariat's staff became effective on 1 January 2007 pursuant to MOP5 Resolution 2c and 2d, which are summarized in the following paragraphs.

11. The Executive Secretary of UNEP/CMS fulfils the function of Acting Executive Secretary for ASCOBANS. MOP5 Resolution 2c estimated and budgeted 3% of the UNEP/CMS Executive Secretary's time to be devoted to ASCOBANS matters.

12. The CMS Scientific and Technical Support Officer also serves as Senior ASCOBANS Advisor, with the main task of supervising the day to day running of the Secretariat. ASCOBANS MOP5 estimated 15% of his time to be devoted to ASCOBANS matters, and made budgetary provision to cover the related costs.

13. On the basis of an assessment of time use during the first months after the merger, the 14th Meeting of the ASCOBANS Advisory Committee (San Sebastian, April 2007) had agreed to rectify the time estimate for the Senior Advisor to 20% for the year 2007. The additional costs incurred by this time increase were covered by the sum allocated from the Coordinator's budget line.

14. As of 1 June 2008, the position of CMS Scientific and Technical Support Officer (STSO), who also serves as Senior Advisor to ASCOBANS, became vacant, since the incumbent was appointed as CMS Agreement Development and Servicing Officer (ADSO). The recruitment for the STSO is still ongoing. Until the new incumbent takes office, the new ADSO continues his services to the Agreement.

15. In order to ensure that the additional workload stemming from the servicing of the ASCOBANS Agreement could be dealt with by the CMS Secretariat to no detriment to its other tasks, the budget approved by ASCOBANS MOP5 provides for a new position of ASCOBANS Coordinator, to be covered through a consultancy for the period 2007-2008. In line with the decisions of ASCOBANS MOP5, the Secretariat had attempted to make the requirements for this consultancy position comparable to those of a P-2 post in the UN system. 75% of the consultant's time is scheduled for ASCOBANS matters and is to be covered out of the ASCOBANS

budget, while 25% has been dedicated to other CMS marine mammals work in a capacity as CMS Marine Mammals Officer and is to be covered out of the CMS budget.

16. The recruitment of the ASCOBANS Coordinator took substantial parts of the first few months after the merger took effect. A vacancy announcement – on which the ASCOBANS coordinators were consulted beforehand – was posted on the CMS and ASCOBANS websites in December 2006. The CMS/ASCOBANS Secretariat received 14 applications by the deadline of 15 January 2007. An ad hoc panel was established within the recruitment process, composed of: the CMS Executive Secretary/Acting ASCOBANS Executive Secretary; the CMS Scientific and Technical Support Officer/ ASCOBANS Senior Advisor; and the CMS Agreement Development and Servicing Officer.

17. The panel examined the applications and short-listed four candidates for further evaluation through telephone interviews. On the basis of the interviews the panel undertook a re-assessment of the competencies and qualifications of the individual candidates as indicated in the vacancy announcement. Selection of the successful applicant was restricted to two candidates. In the final recommendation the panel considered also the financial aspects.

18. The recommendation of the panel was submitted for advice to the chair of the ASCOBANS Advisory Committee, the chair of ASCOBANS MOP5, the chair of the CMS Standing Committee and the chair of the CMS Scientific Council, who all endorsed the recommendation of the panel. The selected candidate took service in April 2007.

19. A draft job description for the P-2 position was sent to the Human Resources Management Service (HRMS) of the United Nations Office at Nairobi (UNON) for initial comments in October 2008, even though it was clear that the post could not be announced before the CMS Conference of Parties had decided whether a time-sharing between CMS and ASCOBANS would still be an option from 2009 onward. The draft job description was drawn up based on the Terms of Reference used for the recruitment of the Coordinator in January 2007, which had been approved by ASCOBANS Parties. It also faithfully reflected the responsibilities borne by the current incumbent. In response, the Chief of the Recruitment & Classification Section in Nairobi stated that these functions and responsibilities correspond to a P-3/4 position and cannot be classified as P-2 for the recruitment. A revised draft job description has been submitted in January 2009 and was eventually accepted. As instructed by the 16th Meeting of the Advisory Committee, the Secretariat has however suspended the recruitment procedure for the Coordinator post until after MOP6.

20. The position of ASCOBANS Administrative Assistant, already existing in the ASCOBANS complement of staff prior to the merger, was confirmed by ASCOBANS MOP5 as a full-time UN post for the year 2007, due to become a 50% consultancy position in 2008. The incumbent resigned from the position in early June 2007, with resignation to take effect in July 2007. The recruitment process to replace her was started immediately after the resignation was notified to the Secretariat. Bearing in mind that from January 2008 on the post would be part-time and on a consultancy basis, the Secretariat decided to advertise it as such already, in order to draw applications of people who would be interested in continuing throughout 2008. A vacancy was posted on the CMS and ASCOBANS websites. By end of June 2007, eight applications had been submitted to the Secretariat. Three applicants had been short-listed and were invited for interviews. The interview panel consisted of the AEW Executive Secretary, the outgoing ASCOBANS Administrative Assistant and the ASCOBANS Coordinator. The Acting Executive Secretary to ASCOBANS

endorsed the recommendation of the panel. After a brief handover period, the new Administrative Assistant took over office operations in mid-July 2007.

21. It quickly became apparent, though, that the net reduction in staff time available to the Secretariat by cutting the post of Administrative Assistant to 50% is not without consequences for the work of the Secretariat. A significant part of the duties formerly handled by the full-time assistant now need to be taken care of by the CMS/ASCOBANS Coordinator, who subsequently has less time to spend on other priority tasks, such as efforts to recruit new Parties to the Agreement, cooperation with other MEAs, IGOs, NGOs and other partners or public relations activities.

22. There had been a temporary change in staff from 1 October 2008 onwards, when the Administrative Assistant took a break in her appointment for reasons of maternity. A consultant was hired to cover for her absence after a public announcement of the consultancy and careful consideration of all applications received. The budgetary implications of this arrangement stayed within the limits set by MOP 5 for budget line 1302. The Administrative Assistant joined the Secretariat team again on 16 February 2009.

23. As soon as the CMS Conference of Parties had cleared the way for a continuation of the ASCOBANS Secretariat provisions until the end of 2011, should the ASCOBANS Parties wish to do so (CMS Resolution 9.14), steps were taken to have the GS-5 position's classification confirmed and a vacancy announcement placed in the UN Recruitment System Galaxy. The recruitment procedure for the Administrative Assistant is ongoing. The Secretariat has been informed that 142 applications have been received, which will now be screened for qualifications and experience. Short-listed candidates will be invited for interviews.

24. The ASCOBANS team has greatly benefited from an arrangement between CMS and the International Fund for Animal Welfare (IFAW), who, based on a Memorandum of Cooperation, seconded a staff member to the CMS Secretariat for one year. Since the CMS "Marine Unit" is made up of the same professional staff as the ASCOBANS team, the additional team member has been deeply involved in work wholly or partly relating to ASCOBANS, such as support in the preparation of information documents concerning threats facing cetaceans (bycatch, underwater noise, ship collisions); the coordination of ASCOBANS activities concerning bycatch of small cetaceans with ICES and the European Commission; the representation of the ASCOBANS Secretariat in intersessional working groups (Marine Noise); the scientific revision and assistance for ASCOBANS publications (leaflet, mobile exhibition, website) and the representation of ASCOBANS' work at public events.

25. The Secretariat has also enjoyed the support of several interns during the triennium. The internship programme is coordinated by the CMS Secretariat for all co-located Agreements.

26. It should be noted, as confirmed also by the findings of the UNEP-led Evaluation of the Secretariat Arrangements (MOP6/Doc.8-01), that staffing levels do not allow the Secretariat to perform its duties effectively. When comparing work plans of the Agreement from past triennia (Annexed to Reports of the Meetings of Parties and available from <http://www.ascobans.org/index0501.html>) with the current one for 2007-2009 (Annex 19 of MOP5 Report) and the draft plan for the next triennium (2010-2012) (MOP6/Doc.7-06), it becomes clear that the expectations have risen dramatically. At the same time, the level of staffing has been reduced from 2 full-time staff members to a total of less than 1.5 staff spread over four positions.

27. Paragraph 6.g. of the UNEP-led Evaluation reads: "*It would be most regrettable and counter productive to view effectiveness and efficiency of the secretariat and its ability to deliver on the expectations of the contracting parties and other stakeholders exclusively from a fiscal standpoint.*" No doubt due to lack of time,

the financial questions seem to have been at the fore of the debate in late 2006, when it seems Parties decided what they were prepared to pay and then checked what staff complement they could get for that amount. The experiences since have shown that this approach has led to a mismatch between Parties' expectations and the capacity of the Secretariat. It therefore seems advisable to adopt a different approach when the decision for the coming triennium is made and determine (a) what functions Parties expect the Secretariat to carry out; (b) what the appropriate seniority of staff members is for these functions, in line with UNEP classification guidelines; and (c) how much time of each staff member involved would be necessary to carry out the functions identified for this level. Alternatively, if budgetary constraints of the Parties do not render this approach practical, the work plan for the coming triennium should be adjusted to the realities of the staffing arrangement chosen.

28. The UNEP-led Evaluation confirmed that despite the inadequate staffing levels, the Secretariat delivered to a satisfactory level on all core functions. This level of performance was only possible through very long working hours into the late evenings and weekend work. To this degree this is clearly not sustainable in the long term. Further, some aspects of the Secretariat's work, e.g. cooperation with other bodies, outreach events, workshops, fundraising or project support, would have benefited from more attention.

III. Service Function of the Secretariat

1. Administration

29. The tasks of Secretariat staff include ensuring the smooth operation of administrative and staff-related matters and the administration of the ASCOBANS budget. This includes tasks such as the implementation and management of projects short-listed for support from the ASCOBANS budget, the selection of consultants and the supervision of their work or the preparation of reports on administrative and financial issues to Parties. In the ongoing triennium, in addition to this regular day-to-day work, the Secretariat also conducted the recruitment procedures outlined above.

30. The Secretariat receives support from the Administrative and Fund Management Unit (AFMU) of CMS and the Budget and Financial Management Service (BFMS) of UNON.

2. Budget

31. At the 14th Meeting of the ASCOBANS Advisory Committee (AC14) (San Sebastian, 19-21 April 2007), it was noted that the figures for expenditure on the General Trust Fund (BA) for the year 2005 as reported in document AC14 /Doc.6(S) differed considerably from the figures presented by the former Secretariat at the AC13 in Tampere in April 2006 for the same period (document AC13/Doc.9 (S)). Parties asked that the figures be checked and an explanation be given. After the meeting in San Sebastian, the CMS/ASCOBANS Secretariat undertook a time-consuming inquiry aimed at clarifying the origin of such discrepancies, in co-operation with UNON/UNEP. The results of this inquiry were reported to Parties by the Secretariat with a letter from the Executive Secretary on 21 December 2007 and subsequently discussed at the 15th Meeting of the Advisory Committee in 2008.

32. The inquiry allowed the joint CMS/ASCOBANS Secretariat and UNEP to identify the cause of the discrepancies to accounting mistakes and misallocations of expenditures between the Voluntary Contribution from Germany for the year 2005 and the ASCOBANS General Trust Fund concerning the above mentioned budget lines. A detailed explanation has been given in document AC15/Doc.8.

33. In summary, a combination of erroneous allocations of expenditures and the accounting mistakes caused an amount of 27,872 US\$ (of which 24,666 US\$ is direct cost and 3,207 US\$ is 13% UNEP Programme Support Cost) to be erroneously charged to the General Trust Fund (BA), while an equivalent amount has been deducted from the expenditure under the Fund for Voluntary Earmarked Contributions (XV Fund). In practical terms, the net result has been a transfer of resources amounting to 27,872 US\$ (of which 24,666 US\$ is direct cost and 3,206 US\$ is 13% Programme Support Cost) from the General Trust Fund (BA) to the Fund for Voluntary Earmarked Contributions (XV Fund).

34. The situation of accounts presented in document AC14/Doc.6(S) is the one which appears at the closure of 2005 accounts, as certified by UNON. The discrepancies between the accounts presented at AC14 in 2007 and the accounts presented at the AC13 in 2006 are due to the fact that the former Secretariat decided to table amended accounts reflecting adjustments to correct the above-mentioned erroneous allocations and accounting mistakes, which were planned but not yet implemented at the time of the meeting. In the end, for reasons that the inquiry could not determine, the adjustments that should have brought the central accounts in line with the accounts tabled in Tampere were not carried through.

35. AC15 decided that to rectify the situation, a total amount of 27,872 US\$ (of which 24,666 US\$ is direct cost and 3,206 US\$ is 13% UNEP Programme Support Cost) should be reversed to the BA Trust Fund and be made available in a newly created budget line for support to projects. This decision was implemented by means of the creation of BL 2201 in 2008.

36. During the triennium, the Agreement's finances have been restored to a healthy state.

37. The total balance of the General Trust Fund at the end of 2006, as certified by the Accounts Section, Budget and Financial Management Service of UNON, amounts to 19,134 USD. This is significantly lower than the Operating Reserve of 87,542 USD deemed necessary for the Agreement. The Operating Reserve was however fully replenished in the course of the year 2007, with a total balance of the General Trust Fund at the end of 2007, as certified by the Accounts Section, Budget and Financial Management Service of UNON, of 107,104 USD. The certified total balance of the General Trust Fund at the end of 2008 amounts to 200,140 USD.

38. Due to savings made largely on the personnel budget lines of 2007 and 2008, as well as the rectification of the accounting mistakes made in 2005, a total of USD 90,098 (2005: USD 24,666; 2007: USD 39,682; 2008: USD 25,750) could be placed on the newly created budget line for conservation projects (BL 2201). Several projects prioritised by the Advisory Committee have already been supported and the Secretariat is in the process of concluding funding agreements for further activities.