

Agenda Item 7.3: Draft Resolutions for MOP 4

Draft Resolution No. 3: Financial and Budgetary Matters

Submitted by: Secretariat



ASCOBANS

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

4th MEETING OF PARTIES
DRAFT RESOLUTION No. 3
FINANCIAL AND BUDGETARY MATTERS

The Meeting of the Parties:

HAVING REGARD to 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 also 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 organisation hosting the Secretariat;

RECALLING the resolution on Financial and Budgetary Matters adopted at the Third Session, Bristol, United Kingdom, July 2000);

ACKNOWLEDGING with appreciation the substantial contribution of the German Government in providing, and agreeing to continue to provide, the accommodation for the Secretariat on a rent-free basis and its annual voluntary contribution of 25,000 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;

1. DISCHARGES and APPROVES the budget for the year 2000 (as shown in the audited account attached at Annex 9), as agreed by the Third Meeting of the Parties.
2. ADOPTS the budget for 2004 - 2006 attached as Annex 1 to this resolution;
3. REITERATES that in accordance with Paragraph 7.2 of the Agreement, the annual contributions are to be paid 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;
4. TAKES NOTE of the medium-term plan for 2004 - 2009 attached at Annex 3 to this resolution;
5. INVITES Parties and Non-Party Range States, government, intergovernmental and non-governmental organizations to make voluntary contributions towards special activities for the implementation of the Agreement;

6. 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. APPROVES the upgrading of the following posts, in accordance with classification of the posts by the United Nations:

Executive Secretary: P-4 (as of 1 January 2004)

Assistant: G-5 (as of 1 January 2004);

8. REQUESTS the Executive Director of UNEP to extend the duration of the trust fund to 31 December 2006;

9. APPROVES the Terms of Reference for the administration of the Trust Fund as set out in Annex 4 to this Resolution, for the period 2004 - 2006;

10. 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.

ASCOBANS BUDGET ESTIMATES 2004-2006 (in US Dollars)

| | 2004 | 2005 | 2006 | Total |
|--|----------------|----------------|----------------|----------------|
| 10 Personnel | | | | |
| 1100 Professional Staff | | | | |
| 1101 Executive Secretary (P4) | 102.779 | 105.009 | 107.844 | 315.632 |
| 1102 Administrative and Fund Management Officer (UNEP) | - | - | - | - |
| 1220 Consultancies | 4.000 | 4.000 | 4.000 | 12.000 |
| 1300 Administrative support | | | | |
| 1301 Administrative Assistant (G5) | 52.407 | 53.544 | 54.706 | 160.657 |
| 1600 Travel on official business | | | | |
| 1601 Secretariat staff | 7.000 | 7.000 | 7.000 | 21.000 |
| 1602 Experts on mission | 1.600 | 1.600 | 1.600 | 4.800 |
| 1999 Personnel Subtotal | 167.786 | 171.153 | 175.150 | 514.089 |
| 30 Meetings | | | | |
| 3301 Meeting of the Parties | - | - | 6.100 | 6.100 |
| 3302 Meeting of the Advisory Committee | 3.700 | 3.800 | 3.900 | 11.400 |
| 3999 Meetings Subtotal | 3.700 | 3.800 | 10.000 | 17.500 |
| 40 Equipment and Premises | | | | |
| 4100 Expendable equipment | | | | |
| 4101 Miscellaneous office supplies | 2.100 | 2.100 | 2.100 | 6.300 |
| 4200 Non-expendable equipment | | | | |
| 4201 Office equipment | 1.800 | 1.800 | 1.800 | 5.400 |
| 4300 Premises | | | | |
| 4301 Rent and maintenance costs | - | - | - | - |
| 4999 Equipment and Premises Subtotal | 3.900 | 3.900 | 3.900 | 11.700 |
| 50 Miscellaneous Costs | | | | |
| 5100 Operation and Maintenance | | | | |
| 5101 Operation/maintenance of computers | 1.000 | 1.000 | 1.000 | 3.000 |
| 5102 Operation/maintenance of photocopier/fax | 1.000 | 1.000 | 1.000 | 3.000 |
| 5200 Reporting Costs | | | | |
| 5201 Information material | 2.250 | 2.250 | 2.500 | 7.000 |
| 5202 Reference material | 250 | 250 | 250 | 750 |
| 5300 Sundry | | | | |
| 5301 Telephone and Fax | 1.300 | 1.300 | 1.300 | 3.900 |
| 5302 Postage and miscellaneous | 2.000 | 2.000 | 2.000 | 6.000 |
| 5400 Hospitality | 800 | 800 | 800 | 2.400 |
| 5999 Miscellaneous Costs Subtotal | 8.600 | 8.600 | 8.850 | 26.050 |
| SUBTOTAL | 183.986 | 187.453 | 197.900 | 569.339 |
| 6000 UNEP programme support costs 13 % | 23.918 | 24.369 | 25.727 | 74.014 |
| GRAND TOTAL | 207.904 | 211.822 | 223.627 | 643.353 |

Annex 2 to Resolution No. 3

ANNUAL CONTRIBUTIONS TO ASCOBANS FOR THE YEARS 2004 - 2006 (IN US DOLLARS)

| Party | UN Scale (%)* | ASCOBANS in % | 2004 | 2005 | 2006 |
|-----------------------|----------------|---------------|----------------|----------------|----------------|
| Belgium | 1,12900 | 11,40651 | 23.715 | 24.161 | 25.508 |
| Denmark | 0,74900 | 7,56729 | 15.733 | 16.029 | 16.923 |
| Finland | 0,52200 | 5,27387 | 10.965 | 11.171 | 11.794 |
| Germany | 9,76900 | 22,00000 | 45.739 | 46.601 | 49.198 |
| Netherlands | 1,73800 | 17,55936 | 36.507 | 37.195 | 39.267 |
| Poland | 0,37800 | 3,81901 | 7.940 | 8.090 | 8.540 |
| Sweden | 1,02675 | 10,37346 | 21.567 | 21.973 | 23.198 |
| United Kingdom | 5,53600 | 22,00000 | 45.739 | 46.601 | 49.198 |
| TOTAL | 20,8478 | 100 | 207.904 | 211.822 | 223.627 |

* Scale of Assessment for 2003, subject to revision when UN Scale of Assessments for 2004-2006 is available

Medium-Term Plan for 2004-2009
(in US Dollars)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| 10 Personnel | | | | | | |
| 1100 Professional Staff | 102.779 | 105.009 | 107.844 | 110.184 | 112.575 | 115.018 |
| 1220 Consultancies | 4.000 | 4.000 | 4.000 | 5.000 | 5.000 | 5.000 |
| 1300 Administrative support | 52.407 | 53.544 | 54.706 | 55.893 | 57.106 | 58.345 |
| 1600 Travel on official business | 8.600 | 8.600 | 8.600 | 8.800 | 8.800 | 9.000 |
| 1999 Personnel Subtotal | 167.786 | 171.153 | 175.150 | 179.877 | 183.481 | 187.363 |
| 30 Meetings | 3.700 | 3.800 | 10.000 | 3.900 | 3.900 | 10.400 |
| 40 Equipment and Premises | | | | | | |
| 4100 Expendable equipment | 2.100 | 2.100 | 2.100 | 2.200 | 2.200 | 2.200 |
| 4200 Non-expendable equipment | 1.800 | 1.800 | 1.800 | 1.900 | 1.900 | 2.000 |
| 4300 Premises | - | - | - | - | - | - |
| 4999 Equipment and Premises Subtotal | 3.900 | 3.900 | 3.900 | 4.100 | 4.100 | 4.200 |
| 50 Miscellaneous Costs | | | | | | |
| 5100 Operation and Maintenance | 2.000 | 2.000 | 2.000 | 2.200 | 2.200 | 2.300 |
| 5200 Reporting Costs | 2.500 | 2.500 | 2.500 | 2.750 | 2.750 | 3.000 |
| 5300 Sundry | 3.300 | 3.300 | 3.200 | 3.500 | 3.500 | 3.500 |
| 5401 Hospitality | 800 | 800 | 800 | 800 | 800 | 800 |
| 5999 Miscellaneous Costs Subtotal | 8.600 | 8.600 | 8.500 | 9.250 | 9.250 | 9.600 |
| SUBTOTAL | 183.986 | 187.453 | 197.550 | 197.127 | 200.731 | 211.563 |
| 6000 UNEP programme support costs 13 % | 23.918 | 24.369 | 25.682 | 25.627 | 26.095 | 27.503 |
| GRAND TOTAL | 207.904 | 211.822 | 223.232 | 222.754 | 226.826 | 239.066 |

Annex 4 to Resolution No. 3

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 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.
2. The financial period shall be for three calendar years beginning 1 January 2004 and ending 31 December 2006.
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 2006, the Executive Director of UNEP shall be so advised in writing immediately after the fifth 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 2004-2006 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 fully convertible United States Dollars. 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 22 per cent of the budget, the contribution of that Party shall be 22 per cent of the budget for the financial year of joining (or pro rata for a part-year).

The scale of contributions for all Parties shall then be revised by the Secretariat on 1 January of the next year. Contributions shall be paid in annual instalments. The contributions shall be due on 1 January 2004, 2005 and 2006. Contributions shall be paid into the following account:

UNEP Trust Fund
Account No. 485 000 520
J.P. Morgan Chase
International Agencies Banking
1166 Avenue of the Americas, 17th Floor
New York, N.Y. 10036-2708, USA
Wire transfers: Chase ABA number 021000021
SWIFT number BIC-CHASUS33
CHIPS participant number 0002

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 US Dollars, 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 2004-2009, inclusive, and shall incorporate the budget for the financial period 2007-2009.

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 unanimous vote 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 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.
19. 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.
20. At the end of each calendar year within the financial period¹, 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.
21. Those financial reports required to be submitted to the Executive Director of UNEP shall be transmitted simultaneously by the Secretariat of the Agreement to the members of the Advisory Committee.
22. 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.
23. The present terms of reference shall be effective from 1 January 2004 to 31 December 2006.

¹ 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.

ASCOBANS Draft Budget Proposal for 2004 - 2006

A. General remarks

The draft budget proposal was calculated in USD. ASCOBANS Parties have repeatedly raised the question of establishing a EURO Account for the use of the Agreement. In response to an inquiry by the ASCOBANS Secretariat concerning the possibility of establishing such an account, UNON informed the Secretariat that this had been advocated for some time by UNON, which envisioned that a EURO account could address the needs of ASCOBANS as well as several other Conventions/Agreements. In this case, the UN would continue to keep its books in US dollars and reconciliations would be made throughout the year and at the final closure of accounts. The UN Treasury in New York is examining the feasibility of such a solution, a decision is still pending.

Party contributions were calculated on the basis of the UN scales of assessments for 2003 (cf. GA Res. 55/5 B-F of 22 January 2001). A revision of Party contributions will therefore need to be effected upon adoption of the new scales of assessments by the 57th General Assembly.

B. Comments on the various budget lines

For the most part, the budget estimates for the period 2001 - 2003 proved to be realistic. On the basis of the experience gained in the current triennium, it has, however, become evident that the estimates for the period from 2004 - 2006, as reflected in the mid-term plan for 2001-2006 annexed to MOP 2 Res. 2, were in some cases too high. Therefore, projected needs for the coming triennium were recalculated and the sums allocated are lower than those given in the last mid-term plan in all but five cases. Two budget lines show a marked increase, two budget lines a moderate increase, one budget line remained unchanged.

1. Budget line 10

1.1 BL 1101 Executive Secretary, P4:

In the past triennium, the post of ASCOBANS Executive Secretary was classified as P3. The job description on the basis of which the classification took place in 2000 does not, however, correctly reflect the actual responsibilities and day-to-day work this post entails. The duties and responsibilities of the Executive Secretary of ASCOBANS, who effectively ensures operation of the Secretariat and, in line with guidance received from the Meeting of the Parties and the Advisory Committee, takes all decisions related to the day-to-day operation of the Secretariat and the administration of the Agreement budget with a high degree of independence, extend far beyond those of a P3 project officer. Consequently, in the related case of the post of Executive Secre-

tary to AEWA, the submission of a revised job description to the Human Resources Management Service (HRMS) of UNON in 2002 led to a reclassification of that post to P4/P5. The duties and responsibilities of the Executive Secretaries of all regional Agreements concluded under CMS are, however, largely identical. Moreover, even the recently created post of Coordinator of the Memorandum of Understanding on the Conservation of Marine Turtles and their Habitats of the Indian Ocean and South-East Asia was also classified at the P5 level.

On the other hand, three of four professional posts below the Executive Secretary/Deputy Executive Secretary level within the CMS Secretariat are classified as P4. Evidently, however, the Executive Secretary of ASCOBANS who, according to the Terms of Reference for Secretariat Arrangements, is to function independently, and report to his Agreement (MOP 2 Res. 1 Paragraph 3) is subject to a lesser degree of supervision and exercises a higher degree of independence and responsibility than the sub-executive level professional officers of the CMS Secretariat. Clearly therefore, the classification of the post of Executive Secretary to ASCOBANS as P3 is inappropriate.

A reclassification of the post of ASCOBANS Executive Secretary to P4 by HRMS is therefore proposed. A revised job description has been drafted by the Secretariat (cf. Annex 7).

UN salaries vary considerably according to the personal/family situation of the incumbent. The present proposal is based on the assumption that the Executive Secretary is married and has two children.

1.2 BL 1301 Assistant, G5

The substantial increase in this budget line is due to the proposed reclassification of the post.

In the first two budget years of the past triennium, this post was classified as a part-time post. In accordance with the medium term plan for 2001-2006, it has now been reclassified as full-time. In the first two years of the past triennium it became evident that the workload of the Secretariat could not be managed with a part-time assistant. The assistant therefore accrued considerable overtime, for which compensatory time off later had to be granted. Even in the current circumstances, i.e. with a full-time assistant, the Secretariat depends on interns and/or consultants for the adequate performance of its functions at peak times, in particular ahead of and during meetings.

Moreover, the post was graded at G4 in the past triennium. However, as in the case of the Executive Secretary, the job description this grading was based on does not adequately reflect the duties related to the post. The old job description was that of a secretary, when in fact the post entails duties and responsibilities similar to those of the assistants of the Executive Secretary/Deputy Executive Secretary of CMS, both of which are classified as G6/G5. This job description will therefore also need to be reviewed with a view to upgrading the post to G5. The figures contained in the draft budget relate to a hypothetical staff member at the G5 Step 1 level and at the dependency rate.

1.3 BL 1220, Consultancies

In the previous triennium, this budget line was not exhausted, as a number of projects either could not be realized or received funding from other sources (voluntary contributions by Parties). Due to the increasing number of projects that are currently being carried out or will probably need to be carried out by ASCOBANS in the coming triennium, the budget line should nevertheless be maintained at the current level.

1.4 Travel on Official Business (Budget Lines 1601, Secretariat Staff, and 1602, Experts on Mission)

In the past triennium, the very low travel budget for Secretariat staff repeatedly proved to be a hindrance to the participation of the Executive Secretary in meetings and other events outside of Bonn. In the coming triennium, there may be an increase in travel by the Secretariat due to the extension of the Agreement area and an expected increase in the number of Parties. BL 1600 has therefore been increased moderately. This increase is due to the fact that USD 7,000 have now been allocated to BL 1601 (Travel of Secretariat Staff). The sum allocated to BL 1602 (Experts on Mission) remains unchanged.

2. Budget line 30, Meetings

A slight increase in the allocation for the annual Advisory Committee meetings as of 2005 should cover general price increases. In addition, the moderately increased allocation for MOP 5 provides at least a small reserve for that meeting, should no official invitation from a Party be forthcoming.

3. Budget line 40, Equipment and Premises

3.1 BL 4101, Miscellaneous Office Supplies

No noticeable increase in expenditure expected, budget line unchanged.

3.2 BL 4201, Office Equipment

When the ASCOBANS Secretariat moved to Bonn in 1998, the German Government provided office equipment, including furniture and computers, on a cost-free basis. Printers have meanwhile been replaced, and computers will need to be replaced in the course of 2003. The need for additional expenditures from this budget line in the coming triennium will therefore presumably be limited and the allocated sum will not need to be increased.

4. Budget Line 50, Miscellaneous Costs

4.1 BL 5100, Operation and Maintenance

4.1.1 BL 5101, Operation and maintenance of computers

No substantial increase in expenditures is expected. The sum allocated therefore remains unchanged.

4.1.2 Photocopier and fax

The ASCOBANS Secretariat shares a photocopier with AEWA and EUROBATS, thus keeping operation and maintenance costs low. Only a moderate increase of this budget line for 2006 is therefore envisioned. The amount of USD 1,000, respectively USD 1,200 should suffice to cover the usual operational costs, and also includes a reserve for external photocopying services for colour copies, posters etc.

4.2 Budget line 5200, Reporting costs

4.2.1 BL 5201, Information material, and 5202, Reference material

ASCOBANS does not have a separate budget line for public relations. With only a very small sum allocated for information material, the cost of producing a whole new range of ASCOBANS posters, leaflets and other PR material in the past triennium was largely covered by voluntary contributions. An increase in the sum allocated to BL 5201 is therefore necessary. BL 5202, on the other hand, was never exhausted during the past triennium and the cost of acquiring reference material was and is likely to remain relatively low. For this reason, part of the sum allocated to BL 5202 was transferred to BL 5201, leading to only a modest overall increase in budget line 5200 in 2006. Despite the slight increase in BL 5201, however, the Secretariat will continue to depend on voluntary contributions if it is to successfully continue its promotional and educational activities in the coming triennium.

4.3 Budget Line 5300, Sundry

4.3.1 Budget Line 5301, Telephone/Fax

No increase required

4.3.2. BL 5202, Postage and miscellaneous

Postage charges are also generally low thanks to UN arrangements. Nevertheless, in the past triennium this budget line was repeatedly overspent due to the volume of mailings, particularly in connection with AC meetings and the Jastarnia Meeting in January 2002. It is reasonable to assume that this trend will not be reversed in the coming triennium, in particular in light of the extension of the Agreement area and the expected accession of further Parties. An increase in this budget line will therefore be necessary.

4.3.3. BL 5401, Hospitality

No increase.

5. BL 6000, UNEP Programme Support Costs

An overhead charge of 13% of the total budget is payable.