

Agenda Item 8.4

Administrative and Budgetary Issues
Financial, Budgetary and Administrative
Matters 2013-2015/16

Document 8-04

**Draft Resolution:
Financial, Budgetary and
Administrative Matters 2013-[15][16]**

Action Requested

- Review the draft Resolution
- Introduce any changes as desired
- Decide on the budget option to be included
- Adopt the Resolution

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

This Draft Resolution has been reviewed and approved by the 19th Meeting of the ASCOBANS Advisory Committee, 20-22 March 2012, Galway, Ireland. The changes requested at that meeting are reflected in the document.

The related budget options are contained in document MOP7/Doc.8-05 (Budget Proposals 2013-2015 or 2013-2016), which is only for restricted circulation until the Parties release it.

DRAFT RESOLUTION

Financial, Budgetary and Administrative Matters 2013-20[15][16]

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;

Appreciating that the financial situation of the Agreement has continued at a satisfactory level since the previous Session as a result of voluntary support received and careful stewardship by 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 in support of special measures and projects aimed at improving the implementation of the Agreement;

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

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. 10.1, Bergen, Norway, November 2011);

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

Expressing thanks to the Secretariat for producing various budget options for adoption by the 7th Meeting of the Parties;

The Meeting of the Parties:

1. *Adopts* the budget for 2013-20[15][16] attached as Annex 1 to this resolution;
2. *Further adopts* the scale of annual contributions, based on the UN Scale of Assessment, as listed in Annex 2 to the present resolution and to apply that scale pro rata to new Parties;
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. *Decides* that all contributions to the Trust Fund shall be paid in Euros;

5. *Further decides* 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;
6. *Requests* Parties that are required to pay a small contribution to consider paying for the whole triennium in one instalment;
7. *Takes note* of the medium-term plan for 2013-20[18][20] attached at Annex 3 to this resolution;
8. *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;
9. *Decides* to continue the current Secretariat arrangements and therefore decides that from 1 January 2013 the UNEP/CMS Secretariat shall serve for the next budgetary period as the Secretariat pursuant to provision No. 4 of the ASCOBANS Agreement, and that the Executive Secretary of UNEP/CMS shall be Acting Executive Secretary for ASCOBANS;
10. *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;
11. *Encourages* Parties to consider financing Junior Professional Officers or providing technical experts to the Secretariat to increase its capacity;
12. *Further encourages* States not Party to the Agreement, governmental, intergovernmental and non-governmental organizations and other sources to consider contributing to the implementation of special activities;
13. *Requests* the Secretariat to provide Parties with a detailed list of ongoing and future activities and projects not covered by the core budget, to assist Parties to identify those they intend to fund;
14. *Instructs* the Secretariat to allocate the contributions of Parties that accede to the Agreement after 1 January 2013 towards the funding of approved activities not covered by the core budget;
15. *Further 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;
16. *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;
17. *Authorizes* the Secretariat, subject to paragraph 5 above, to approve withdrawals from the fund balance to finance conservation projects approved by the Parties;
18. *Requests* the Executive Director of UNEP to extend the duration of the Trust Fund to 31 December 20[15][16];
19. *Requests* the Executive Director of UNEP to consider, as appropriate, providing financial support for special activities;
20. *Approves* the Terms of Reference for the administration of the Trust Fund, as set out in Annex 4 to this Resolution, for the period 2013-20[15][16].

Annex 1

Budget Estimates for 2013-20[15][16] – ASCOBANS Trust Fund (BA) in Euro

Annex 2

**Scale of Contributions by Parties
to the UNEP/ASCOBANS Trust Fund for 2013-20[15][16] in Euro**

Annex 3

Medium Term Plan for 2013-20[18][20] 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, NORTH EAST ATLANTIC, IRISH 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][four] 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 for budgeting and reporting purposes of the Agreement shall be for [three][four] calendar years beginning 1 January 2013 and ending 31 December [2015][2016].
3. The Trust Fund shall continue to be administered by the Executive Director of the United Nations Environment Programme (UNEP), subject to the approval of the Governing Council of UNEP.
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 2013-[2015][2016] 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 organizations and other sources.
8. All contributions to the Trust Fund shall be paid in Euros. Contributions shall be paid in annual instalments. The contributions shall be due on 1 January 2013, 2014[,] and 2015 [and 2016]. 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 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 were to 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 partial year). Contributions of Parties acceding to the Agreement during the ongoing [triennium][quadrennium] will not be used to reduce the subscriptions of existing Parties during that [triennium][quadrennium], but will rather flow into the Agreement Trust Fund. Contributions for all Parties throughout the financial period 2013-[2015][2016] shall be based on the UN Scale of Assessments applicable at the time of adoption of this resolution.

10. 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.

11. 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.

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

13. The budget estimates covering the income and expenditure for each of the [three][four] 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.

14. 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.

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 at which they are to be considered.

16. The budget 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 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. 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. 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 specifically sanctioned 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 year-end accounts. 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 by the Executive Director of UNEP shall be transmitted simultaneously by the Secretariat of the Agreement to the members of the Advisory Committee.

22. The present terms of reference shall be effective from 1 January 2013 to 31 December [2015][2016].

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.