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**Conference of the Parties**

**Fifteenth session**

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Item 6 (b) of the provisional agenda

**Programme and budget**

**Financial performance for the Convention trust funds**

**Financial performance for the Convention trust funds**

**Note by the secretariat**

*Summary*

By its decision 10/COP.14 and decision 1/COP.ES-2, the Conference of the Parties (COP) requested the Executive Secretary to report to the COP at its fifteenth session on the status of the trust funds established under the financial rules. This document responds to that request by providing an overview of the income and expenditure of all Convention trust funds for the biennium 2020–2021, as at 31 December 2021.

In line with the United Nations approach to results-based management, performance reporting is used to determine the actual progress made towards achieving expected accomplishments in comparison with the commitments set out in the approved programme budget. Such performance reporting covers all activities in the programme budget. Accordingly, Parties may wish to review the financial performance of the Convention trust funds in view of the degree of implementation of the work programmes of the secretariat, the Global Mechanism, the Committee on Science and Technology and the Committee for the Review of the Implementation of the Convention. Therefore, this document should be read in conjunction with document ICCD/CRIC(20)/3, which presents the performance of the Convention bodies and institutions with the results achieved.



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## **I. Introduction**

### **A. Mandate**

1. Rule 10 (d) of the rules of procedure of the Conference of the Parties (COP) provides that the provisional agenda of each ordinary session of the COP shall include, as appropriate, the proposed budget as well as all questions pertaining to the accounts and financial arrangements. By its decision 10/COP.14 and decision 1/COP.ES-2, the COP requested the Executive Secretary to report to the COP at its fifteenth session (COP 15) on the status of the trust funds established under its financial rules, as well as on core budget contributions made by Parties for prior financial periods (before 1 January 2020), received during the biennium 2020–2021.

### **B. Scope of the note**

2. This document provides an overview of the income and expenditure of all Convention trust funds for the biennium 2020–2021, as at 31 December 2021.

3. The secretariat and the Global Mechanism (GM) plan, carry out and monitor progress in their work by using four-year workplans and costed two-year work programmes. These workplans and work programmes follow a results-based management (RBM) approach.

4. At the end of each biennium, the secretariat and the GM provide information on their performance in implementing the workplan and programme. In line with the United Nations approach to RBM, performance reporting is used to determine the actual progress made towards achieving the objectives of the workplan in comparison with the commitments set out in the approved programme budget. Such performance reporting covers all activities in the programme budget. This document presents the performance of the Convention trust funds and should therefore be read in conjunction with the detailed report on the performance of the Convention institutions and subsidiary bodies (2020–2021).<sup>1</sup>

## **II. Income and expenditure report**

### **A. Trust Fund for the Core Budget of the United Nations Convention to Combat Desertification**

5. The COP, by its decision 10/COP.14, approved a core budget of EUR 16.4 million for the biennium 2020–2021 (see table 1). Funding for the approved budget comes from indicative contributions by all Parties and the Host Government.

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<sup>1</sup> ICCD/CRIC(20)/3.

Table 1  
**Programme budget for the biennium 2020–2021**  
**(euros)**

	2020	2021	2020–2021
Direct costs for programme activities	7 270 311	7 270 311	14 540 622
Programme support costs	945 140	945 141	1 862 346
Adjustment to working capital reserves	0	0	0
<b>Total approved budget</b>	<b>8 215 451</b>	<b>8 215 452</b>	<b>16 430 903</b>
Contributions from the Host Government	511 292	511 292	1 022 584
Indicative contributions from all Parties	7 582 749	7 582 749	15 165 498
Unspent balances or contributions from prior financial periods (up to)	121 410	121 411	242 821
<b>Total income</b>	<b>8 215 451</b>	<b>8 215 452</b>	<b>16 430 903</b>

6. The COP, by its same decision, also authorized the Executive Secretary to use the remainder of the amount (EUR 876,117 as at 1 January 2020) previously allocated from the reserves of the Trust Fund for the Core Budget of the United Nations Convention to Combat Desertification for the implementation of the Drought Initiative (see decision 23/COP.14).

7. As at 31 December 2021, the Trust Fund for the Core Budget of the United Nations Convention to Combat Desertification had received EUR 13.3 million, or 87.9 per cent of the total indicative contributions for the biennium. As this report was being prepared, the voluntary contribution from the Host Government had been received for 2021. Table 2 indicates the actual amount of income received to date in the biennium.

Table 2  
**Income received for the biennium 2020–2021**  
**(euros)**

<i>Carry-over from 2018–2019</i>	3 161 306
Indicative contributions for 2020–2021	13 324 005
Contributions for previous years	834 355
Contributions from the Host Government	1 022 584
Contributions for future years received in advance	289 345
Interest and miscellaneous income	25 518
<b>Total income received</b>	<b>18 657 113</b>

8. The total amount of outstanding indicative contributions is USD 0.71 million for 2002–2007 and EUR 3.76 million for 2008–2021. Tables 3 and 4 provide details on the number of Parties and the amount outstanding by year.

Table 3  
**Outstanding contributions to the trust fund by year for the period 2002–2007 as at 31 December 2021**

(United States dollars)

	<i>Number of Parties</i>	<i>Outstanding amount</i>
Outstanding since 1 January of:		
2002	2	160
2003	3	174
2004	5	350
2005	5	400
2006	7	267 343
2007	18	438 905
<b>Total</b>		<b>707 331</b>

Table 4  
**Outstanding contributions to the trust fund by year for the period 2008–2021 as at 31 December 2021**

(euros)

	<i>Number of Parties</i>	<i>Outstanding amount</i>
Outstanding since 1 January of:		
2008–2009	22	571 812
2010–2011	26	73 779
2012–2013	33	204 838
2014–2015	37	163 408
2016–2017	44	220 447
2018–2019	60	685 482
2020–2021	109	1 841 493
<b>Total</b>		<b>3 761 259</b>

9. Parties may recall that the COP authorized the Executive Secretary to enter into arrangements with any Party whose agreed outstanding contributions remain unpaid for two or more years to mutually agree on a ‘schedule of payments’ for that Party to pay all unpaid agreed contributions within six years, depending on the financial circumstances of the Party concerned, and pay future contributions by the due date.<sup>2</sup> The secretariat sent reminders to all Parties with outstanding contributions. As at 31 December 2021, the secretariat had not been contacted by any Party to make these arrangements for outstanding contributions of two or more years. Nevertheless, in the course of the biennium 2020–2021, the secretariat received EUR 0.834 million in core contributions from previous bienniums.

10. The secretariat will continue to remind Parties of their outstanding contributions and post the monthly status of indicative contributions on its website.<sup>3</sup>

<sup>2</sup> Decision 9/COP.9, paragraph 13, decision 10/COP.12, paragraph 26, and decision 10/COP.13, paragraph 26, paragraph 30, decision 10/COP.14.

<sup>3</sup> <<https://www.unccd.int/about-us/secretariat>>.

## B. Trust Fund for Participation of Representatives of Eligible Parties in the Sessions of the United Nations Convention to Combat Desertification

11. As at 31 December 2021, the Trust Fund for Participation of Representatives of Eligible Parties in the Sessions of the United Nations Convention to Combat Desertification had received EUR 0.55 million in income, including carry-over from prior periods, which was used to fund participants from eligible Parties, designated science and technology correspondents from eligible affected countries and representatives from non-governmental organizations. Information on the income and expenditure of this trust fund is given in table 5.

Table 5  
**Income and expenditure of the Trust Fund for Participation of Representatives of Eligible Parties in the Sessions of the United Nations Convention to Combat Desertification as at 31 December 2021**  
(euros)

<i>Income</i>	
Carry-over from 2018–2019	484 328
Voluntary contributions received for 2020–2021	54 373
Interest and miscellaneous income	8 263
<b>Total income</b>	<b>546 964</b>
<i>Expenditure</i>	
Miscellaneous expenditures	12 050
Programme support costs	383
<b>Total expenditure</b>	<b>12 434</b>
<b>Balance of funds</b>	<b>534 530</b>

## C. Trust Funds for Voluntary Financing of Activities under the United Nations Convention to Combat Desertification

12. Table 6 shows income and expenditure under Trust Funds for Voluntary Financing of Activities for the secretariat and the GM as at 31 December 2021.

Table 6  
**Income and expenditure of the respective Trust Funds for Voluntary Financing of Activities for the secretariat and the Global Mechanism as at 31 December 2021**  
(euros)

	<i>Secretariat</i>	<i>Global Mechanism</i>
<i>Income</i>		
Carry-over from 2018–2019	8 317 883	7 314 966
Voluntary contributions received in 2020–2021	12 224 765	2 121 362
Interest and miscellaneous income	207 883	(54 431)
<b>Total income</b>	<b>20 750 531</b>	<b>9 381 896</b>
<i>Expenditure</i>		
Disbursements	5 053 110	3 363 853
Programme support costs	755 560	339 228

	<i>Secretariat</i>	<i>Global Mechanism</i>
<b>Total expenditure</b>	5 808 670	3 703 081
<b>Balance of funds</b>	14 941 861	5 678 815

13. As at 31 December 2021, the secretariat had received EUR 12.2 million and the GM EUR 2.1 million.

#### **D. Trust Fund for Convention Events Organized by the secretariat of the United Nations Convention to Combat Desertification (the Bonn Fund)**

14. The Government of Germany, Host Government to the secretariat, supports Convention-related activities and events with an annual supplementary contribution amounting to EUR 511,292. This contribution, known as the Bonn Fund, is transferred to the secretariat in two instalments per year. Of the total contribution of EUR 1,022,584 for the biennium 2020–2021, the contribution for 2021 had been received by the secretariat as at 31 December 2021, in addition to the carry-over balance and miscellaneous income.

15. The Bonn Fund is utilized according to a cost plan proposed by the secretariat and accepted by the Government of Germany. As at 31 December 2021, EUR 0.71 million had been used according to the cost plans agreed for 2020 and 2021. An overview of this utilization is presented in table 7.

Table 7

#### **Income and expenditure of the Bonn Fund as at 31 December 2021 (euros)**

<i>Income</i>	
Carry-over from 2018–2019	749 140
Voluntary contributions received for 2020–2021	1 022 584
Interest and miscellaneous income	32 612
<b>Total income</b>	<b>1 804 336</b>
<i>Expenditure</i>	
Disbursements	621 722
Programme support costs	89 242
<b>Total expenditure</b>	<b>710 964</b>
<b>Balance of funds</b>	<b>1 093 373</b>

#### **E. Special Account for Programme Support Costs**

16. In accordance with the standard practice of the United Nations, a rate of 13 per cent is charged to all trust funds for programme support services. These support services are mostly used to cover the costs of administrative support staff and secretariat staff at the United Nations Liaison Office in New York, United States of America. Table 8 shows the status of the Special Account for Programme Support Costs.

Table 8  
**Income and expenditure of the Special Account for Programme Support Costs as at 31 December 2021**  
(euros)

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<i>Income</i>	
Carry-over from 2018–2019	440 913
Programme support costs income in 2020–2021	2 936 641
Interest and miscellaneous income	2 760
<b>Total income</b>	<b>3 380 313</b>
<i>Expenditure</i>	
Disbursements	2 119 677
<b>Total expenditure</b>	<b>2 119 677</b>
<b>Balance of funds</b>	<b>1 260 637</b>

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### III. Conclusions and recommendations

17. The COP may wish to take note of the information presented in this document and decide on actions that may need to be included in decisions on the programme budget.



## Annex

### Projects and events funded from the Trust Fund for Supplementary Activities (secretariat and the Global Mechanism) in the biennium 2020–2021

<i>Project</i>	<i>Income (euros)</i>	<i>Expenditure (euros)</i>	<i>Balance (euros)</i>
Initiative on Sustainability, Stability and Security	270 000	217 003	52 997
Ankara Initiative 2020*	526 165	1 047 844	(521 679)
Changwon Initiative 2020 and 2021	2 200 740	630 973	1 569 767
Climate change, land degradation and migration nexus in Central Asia	68 800	60 368	8 432
CSO activities	320 006	95 395	224 612
Enhancing the Drought Toolbox	111 800	0	111 800
Global Support Programme III	430 000	307 941	122 059
Land for Life Award programme	109 528	82 577	26 951
LDN activities	1 330 000	120 161	1 209 839
Peace Forest Initiative 2021–2025	527 931	637	527 294
Project Preparation Partnership for Transformative Land-based Solutions 2021–2026	200 000	848	199 153
Regional support (Northeast Asia) on sand and dust storms; Restoration and the Global Land Outlook; UNCCD reporting; Enhanced knowledge on drought resilience	309 600	197 705	111 895
Enhanced knowledge on drought resilience; Early-phase activities related to the Group of 20	309 591	86 340	223 251
Secondment of a Programme Officer to the UNCCD RCU office in Istanbul, Turkey	292 400	152 649	139 751
She Grows It	149 783	74 891	74 892
Strengthening Coordination and Implementation of the Great Green Wall for the Sahara and the Sahel Initiative	1 000 000	136 093	863 907
Strengthening the policy and science agendas of the UNCCD	4 300 000	0	4 300 000
Support for integrating gender equality	1 545 478	393 462	1 152 016
Support to the RLO office in Rabat, Morocco	198 000	139 050	58 950
Kick-off meeting of the feasibility study for the Programme to Build Resilience to Food and Nutrition Insecurity in the Sahel – Project 2	60 200	60 200	0
Facilitate combating desertification and land degradation	172 000	0	172 000
Voluntary contribution to support the activities of the UNCCD	2 500	0	2 500
<b>Total</b>	<b>14 434 524</b>	<b>3 804 136</b>	<b>10 630 387</b>

*Abbreviations:* CSO = civil society organization; LDN = land degradation neutrality; RCU = Regional Coordination Unit; RLO = Regional Liaison Office; UNCCD = United Nations Convention to Combat Desertification.

\*: There was a balance carried forward from the previous years' contributions.