



United Nations

ICCD/COP(13)/9



## Convention to Combat Desertification

Distr.: General  
28 June 2017

Original: English

---

### Conference of the Parties

#### Thirteenth session

Ordos, China, 6–16 September 2017

Items 3 (e) and 6 (b) of the provisional agenda

**Effective implementation of the Convention at national, subregional and regional level**

**Securing of additional investments and the relations with financial mechanisms**

**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.12, the Conference of the Parties (COP) requested the Executive Secretary to report to the COP at its thirteenth 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 2016–2017, as at 31 May 2017.

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(16)/3, which presents the performance of the Convention subsidiary bodies through the results achieved.

GE.17-10713(E)



\* 1 7 1 0 7 1 3 \*

Please recycle 



## Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction .....	1–4	3
A. Mandate .....	1	3
B. Scope of the note .....	2–4	3
II. Income and expenditure report .....	5–16	3
A. Trust Fund for the Core Budget of the United Nations Convention to Combat Desertification .....	5–10	3
B. Trust Fund for Participation of Representatives of Eligible Parties in the Sessions of the United Nations Convention to Combat Desertification .....	11	6
C. Trust Funds for Voluntary Financing of Activities under the United Nations Convention to Combat Desertification .....	12–13	6
D. Trust Fund for Convention Events Organized by the secretariat of the United Nations Convention to Combat Desertification (the Bonn Fund) .....	14–15	7
E. Special Account for Programme Support Costs .....	16	8
III. Update to the financial rules of the Conference of the Parties, its subsidiary bodies and the Convention Secretariat .....	17–18	9
IV. Conclusions and recommendations .....	19	9
Annex		
Projects and events funded from the Trust Fund for Supplementary Activities (secretariat and the Global Mechanism) in the biennium 2016–2017 .....		10

## **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.12, the COP requested the Executive Secretary to report to the COP at its thirteenth session (COP 13) 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 2016), received during the biennium 2016–2017.

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

2. This document provides an overview of the income and expenditure of all Convention trust funds for the biennium 2016–2017, as at 31 May 2017.

3. In accordance with the 10-year strategic plan and framework to enhance the implementation of the Convention (2008–2018) (The Strategy), the secretariat, the Global Mechanism (GM), the Committee on Science and Technology (CST) and the Committee for the Review of the Implementation of the Convention (CRIC) 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, and since COP 12 in 2015, they have been integrated into one comprehensive UNCCD workplan and programme.

4. At the end of each biennium, the secretariat and the GM provide information of 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 (2016–2017).<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.12, approved a core budget of EUR 16.2 million for the biennium 2016–2017 (see table 1). Funding for the approved budget comes from indicative contributions by all Parties and the Host Government.

---

<sup>1</sup> ICCD/CRIC/(16)/3.

Table 1  
**Programme budget for the biennium 2016–2017**  
**(Euros)**

	2016	2017	2016–2017
Direct costs for programme activities	7 107 256	7 218 480	14 325 736
Programme support costs	923 943	938 403	1 862 346
Adjustment to working capital reserves	0	0	0
<b>Total approved budget</b>	<b>8 031 199</b>	<b>8 156 883</b>	<b>16 188 082</b>
Contributions from the Host Government	511 292	511 292	1 022 584
Unspent balances or contributions from prior financial periods	100 000	100 000	200 000
Indicative contributions from all Parties	7 419 907	7 545 591	14 965 498
<b>Total income</b>	<b>8 031 199</b>	<b>8 156 883</b>	<b>16 188 082</b>

6. By the same decision, the COP approved a budget of EUR 300,000 to facilitate the consideration of post-2018 strategic priorities for the Convention, and EUR 120,000 for supporting the work of the Science-Policy Interface.

7. As at 31 May 2017, the Trust Fund for the Core Budget of the United Nations Convention to Combat Desertification (UNCCD) had received EUR 10.96 million, or 73.2 per cent of the total indicative contributions for the biennium. As this report was being prepared, the voluntary contribution from the Host Government had not been received for 2017. Table 2 indicates the actual amount of income received to date in the biennium.

Table 2  
**Income received for the biennium 2016–2017**  
**(Euros)**

Carry-over from 2014–2015	713 737
Indicative contributions for 2016–2017	10 369 410
Contributions for previous years	1 804 264
Contributions from the Host Government	511 292
Contributions for future years received in advance	19 916
Interest and miscellaneous income	113 854
<b>Total income received</b>	<b>13 532 473</b>

8. The total amount of outstanding indicative contributions is USD 0.86 million for 2002–2007 and EUR 5.7 million for 2008–2017. 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 May 2017**

(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	590 526
<b>Total</b>		<b>858 953</b>

Table 4  
**Outstanding contributions to the trust fund by year for the period 2008–2017 as at 31 May 2017**

(Euros)

	<i>Number of Parties</i>	<i>Outstanding amount</i>
Outstanding since 1 January of:		
2008	22	386 858
2009	25	95 580
2010	27	19 511
2011	33	78 157
2012	39	101 207
2013	48	113 712
2014	57	136 254
2015	67	221 837
2016	83	464 424
2017	131	4 131 665
<b>Total</b>		<b>5 749 205</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 and invited those Parties with contributions outstanding for two or more years or to make payment arrangements. As at 31 May 2017, 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 2016–2017, the secretariat received EUR 1.8 million in core contributions from previous bienniums.

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

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>

## **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 May 2017, the Trust Fund for Participation of Representatives of Eligible Parties in the Sessions of the UNCCD Conference had received EUR 0.87 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 UNCCD Conference as at 31 May 2017**  
(Euros)

<i>Income</i>	
Carry-over from 2014–2015	834 913
Voluntary contributions received for 2016–2017	18 420
Interest and miscellaneous income	21 323
<b>Total income</b>	<b>874 656</b>
<i>Expenditure</i>	
Travel costs obligated for 117 eligible participants to the session of CRIC15 <sup>a</sup>	418 925
Programme support costs	47 253
<b>Total expenditure</b>	<b>466 178</b>
<b>Balance of funds</b>	<b>408 478</b>

<sup>a</sup> Fifteenth session of the Committee for the Review of the Implementation of the Convention.

## **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 Activities for the secretariat and the GM as at 31 May 2017.

<sup>3</sup> <<http://www2.unccd.int/about-us/secretariat>>.

Table 6  
**Income and expenditure of the respective Trust Funds for Voluntary Financing Activities for the secretariat and the Global Mechanism as at 31 May 2017**  
 (Euros)

	<i>Secretariat</i>	<i>Global Mechanism</i>
<i>Income</i>		
Carry-over from 2014–2015	3 614 224	4 853 918
Voluntary contributions received in 2016–2017	7 703 842	3 595 295
Interest and miscellaneous income	124 430	107 412
<b>Total income</b>	<b>11 442 496</b>	<b>8 556 625</b>
<i>Expenditure</i>		
Disbursements and obligations	4 657 943	4 900 564
Programme support costs	530 487	392 005
<b>Total expenditure</b>	<b>5 188 430</b>	<b>5 292 569</b>
<b>Balance of funds</b>	<b>6 254 066</b>	<b>3 264 056</b>

13. As at 31 May 2017, the secretariat had received EUR 7.7 million and the GM EUR 3.6 million. Overall, the receipt of voluntary contributions has improved by 13 per cent for the secretariat and GM as compared with the same time in the biennium 2014–2015.

#### **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 2016–2017, EUR 511,292 had been received by the secretariat as at 31 May 2017, 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 May 2017, EUR 0.65 million had been used according to the cost plans agreed for 2016 and 2017. It should be noted that the 2017 contribution had not been received at the time that this report was prepared. An overview of this utilization is presented in table 7.

Table 7  
**Income and expenditure of the Bonn Fund as at 31 May 2017**  
 (Euros)

<i>Income</i>	
Carry-over from 2014–2015	336 206
Voluntary contributions received for 2016–2017	511 292
Interest and miscellaneous income	15 369
<b>Total income</b>	<b>862 867</b>
<i>Expenditure</i>	
Disbursements and obligations	571 204
Programme support costs	74 859
<b>Total expenditure</b>	<b>645 793</b>
<b>Balance of funds</b>	<b>217 074</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 costs 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 May 2017**  
 (Euros)

<i>Income</i>	
Carry-over from 2014–2015	2 427 226
Programme support costs income in 2016–2017	1 870 528
Interest and miscellaneous income	26 069
<b>Total income</b>	<b>4 323 823</b>
<i>Expenditure</i>	
Disbursements and obligations	2 475 610
<b>Total expenditure</b>	<b>2 475 610</b>
<b>Balance of funds</b>	<b>1 848 213</b>



### III. Update to the financial rules of the Conference of the Parties, its subsidiary bodies and the Convention Secretariat

17. By its decision 2/COP.1, the COP adopted the *Financial rules of the Conference of the Parties, its subsidiary bodies and the Convention Secretariat*. With the adoption of the International Public Sector Accounting Standards, these rules would require alignment with the new standards, in addition to some editing to reflect the current practice in the United Nations system.

18. The following amendments are presented below:

(a) Under paragraph 12, item (a), reference to 0.01 would be changed to 0.001 in accordance with resolutions of the General Assembly, most recently resolution 70/245, adopted on 23 December 2015:

*Contributions made each year by Parties on the basis of an indicative scale adopted by consensus by the Conference of the Parties, and based on such a scale of assessments of the United Nations as may be adopted from time to time by the General Assembly, adjusted so as to ensure that no Party contributes less than 0.001 per cent of the total, that no one contribution exceeds 25 per cent of the total and that no contribution from a least developed country Party exceeds 0.01 per cent of the total;*

(b) Under paragraph 21, reference to providing an interim statement of account would be deleted with the requirement to submit an audited statement of accounts each year:

*The United Nations shall provide the Parties with an audited statement of accounts for each year of the financial period.*

### IV. Conclusions and recommendations

19. **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 2016–2017

<i>Project</i>	<i>Income (Euros)</i>	<i>Expenditure (Euros)</i>	<i>Balance (Euros)</i>
Hosting of CRIC in Nairobi	100 000	100 000	0
Special Initiative on LDN Activities	70 635	0	70 635
CSO activities	94 280	94 280	0
Cost sharing arrangement in New York Liaison Office	149 190	149 190	0
Secondment of a Programme Officer to the RCU office in Istanbul, Turkey	150 790	137 363	13 427
Ankara Initiative 2016	1 151 250	1 023 697	127 553
Changwon Initiative 2016	1 534 529	438 283	1 096 246
Secondment of a Programme Officer to the UNCCD Asia RCU office in Bangkok, Thailand 2016–2018	519 975	128 636	391 339
Voluntary contributions for Workshops/Meetings	20 000	0	20 000
LDN – operationalization of land-based progress indicators	9 150	6 794	2 356
Land of Life Award programme	121 635	60 789	60 846
Land Degradation Neutrality Project	400 000	975	399 025
Support for LDN-TSP	1 213 945	1 096 689	117 256
Support for the organization of capacity building workshops	44 100	8 700	35 400
Global Support Programme Activities	358 762	291 130	67 632
<b>Total</b>	<b>5 938 241</b>	<b>3 536 526</b>	<b>2 401 715</b>

*Abbreviations:* CRIC = Committee for Review of the Implementation of the Convention; CSO = Civil Society Organization; LDN = Land Degradation Neutrality; LDN-TSP = Land Degradation Neutrality-Target Setting Programme; RCU = Regional Coordination Unit; UNCCD = United Nations Convention to Combat Desertification.