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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.13, the Conference of the Parties (COP) requested the Executive Secretary to report to the COP at its fourteenth 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 2018–2019, as at 31 May 2019.

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(18)/3, which presents the performance of the Convention bodies and institutions with the results achieved.

* This document was scheduled for publication after the standard publication date owing to circumstances beyond the submitter's control.

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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.13, the COP requested the Executive Secretary to report to the COP at its fourteenth session (COP 14) 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 2018), received during the biennium 2018–2019.

B. Scope of the note

2. This document provides an overview of the income and expenditure of all Convention trust funds for the biennium 2018–2019, as at 31 May 2017.

3. The secretariat, the Global Mechanism (GM), the Committee on Science and Technology 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 13 in 2017, 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 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 (2018–2019).¹

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.13, approved a core budget of EUR 16.2 million for the biennium 2018–2019 (see table 1). Funding for the approved budget comes from indicative contributions by all Parties and the Host Government.

¹ ICCD/CRIC/(18)/3.

Table 1
Programme budget for the biennium 2018–2019
(Euros)

	2018	2019	2018–2019
Direct costs for programme activities	7 162 868	7 162 868	14 325 736
Programme support costs	931 173	931 173	1 862 346
Adjustment to working capital reserves	0	0	0
Total approved budget	8 094 041	8 094 041	16 188 082
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
Total income	8 094 041	8 094 041	16 188 082

6. By the same decision, the COP approved a budget of EUR 1.8 million from the reserves of the Trust Fund for the Core Budget of the United Nations Convention to Combat Desertification (UNCCD) for the implementation of the Drought Initiative, described in decision 29/COP.13.

7. As at 31 May 2019, the Trust Fund for the Core Budget of the UNCCD had received EUR 9.6 million, or 63.4 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 2019. Table 2 indicates the actual amount of income received to date in the biennium.

Table 2
Income received for the biennium 2018–2019
(Euros)

<i>Carry-over from 2016–2017</i>	4 463 053
Indicative contributions for 2018–2019	9 622 273
Contributions for previous years	564 030
Contributions from the Host Government	510 696
Contributions for future years received in advance	19 058
Interest and miscellaneous income	192 079
Total income received	15 371 189

8. The total amount of outstanding indicative contributions is USD 0.71 million for 2002–2007 and EUR 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 2019
(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	438 914
Total		707 340

Table 4

Outstanding contributions to the trust fund by year for the period 2008–2019 as at 31 May 2019 (Euros)

	<i>Number of Parties</i>	<i>Outstanding amount</i>
Outstanding since 1 January of:		
2008–2009	25	572 905
2010–2011	31	75 772
2012–2013	42	207 807
2014–2015	50	221 893
2016–2017	69	383 652
2018–2019	133	5 543 619
Total		7 005 648

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.² 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 2019, 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 2018–2019, the secretariat received EUR 0.56 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.³

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 2019, the Trust Fund for Participation of Representatives of Eligible Parties in the Sessions of the UNCCD Conference had received EUR 0.67 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.

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

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

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 2019
 (Euros)

<i>Income</i>	
Carry-over from 2016–2017	444 374
Voluntary contributions received for 2018–2019	202 376
Interest and miscellaneous income	20 479
Total income	667 229
<i>Expenditure</i>	
Travel costs obligated for 83 eligible participants in the session of CRIC17 ^a	327 869
Programme support costs	42 448
Total expenditure	370 317
Balance of funds	296 912

^a Seventeenth 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 2019.

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 2019
 (Euros)

	<i>Secretariat</i>	<i>Global Mechanism</i>
<i>Income</i>		
Carry-over from 2016–2017	7 192 450	4 221 944
Voluntary contributions received in 2018–2019	2 133 022	3 811 094
Interest and miscellaneous income	223 110	354 255
Total income	9 548 582	8 387 293
<i>Expenditure</i>		
Disbursements and obligations	3 526 505	3 448 552
Programme support costs	345 711	219 912
Total expenditure	3 872 216	3 668 464
Balance of funds	5 676 366	4 718 829

13. As at 31 May 2019, the secretariat had received EUR 2.1 million and the GM EUR 3.8 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 2018–2019, the contribution for 2018 had been received by the secretariat as at 31 May 2019, 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 2019, EUR 0.49 million had been used according to the cost plans agreed for 2018 and 2019. It should be noted that the 2019 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 2019 (Euros)

<i>Income</i>	
Carry-over from 2016–2017	367 473
Voluntary contributions received for 2018–2019	534 532
Interest and miscellaneous income	36 628
Total income	938 633
<i>Expenditure</i>	
Disbursements and obligations	436 336
Programme support costs	53 202
Total expenditure	489 538
Balance of funds	449 095

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 May 2019 (Euros)

<i>Income</i>	
Carry-over from 2016–2017	1 680 368
Programme support costs income in 2018–2019	1 666 600
Interest and miscellaneous income	477 989
Total income	3 824 958
<i>Expenditure</i>	
Disbursements and obligations	3 003 744
Total expenditure	3 003 744
Balance of funds	821 214

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

17. In accordance with paragraph 17 of decision 10/COP.13, the COP requested the Executive Secretary to prepare a report on the methodology and practice regarding the scale of assessments for the apportionment of the expenses of the United Nations in order to review the UNCCD Financial rules of the COP, its subsidiary bodies and the Convention secretariat.

18. Parties may recall that by its decision 2/COP.1, the COP adopted the Financial rules of the COP, its subsidiary bodies and the Convention secretariat, which states the following under paragraph 12, item (a):

Contributions made each year by Parties on the basis of an indicative scale adopted by consensus by the COP, 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 0.01 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.

19. The secretariat of the Convention on Biological Diversity (CBD) and the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), as well as the UNCCD secretariat, establish an indicative scale of contributions for their respective core budgets based on the scale of assessment of the apportionment of the expenses of the United Nations adopted by the General Assembly, as may be seen in CBD COP decision 14/37 approving the core budget for the biennium 2019–2020, and UNFCCC COP decision 21/CP.23 approving the core budget for the biennium 2018–2019. Both secretariats apply the criteria set out in General Assembly resolutions on the scale of assessments for the apportionment of the expenses of the United Nations, the most recent being A/RES/73/271, whereby it states the following in paragraph 6, item (f) through to (h):

(f) A minimum assessment rate of 0.001 per cent;

(g) A maximum assessment rate for the least developed countries of 0.01 per cent; and

(h) A maximum assessment rate of 22 per cent.

20. In CBD COP decision 14/37, the COP reiterates the methodology for establishing the indicative scale, highlighting a 22 per cent ceiling on core budget contributions and that no least developed country pays more than 0.01 per cent, which complies with the Financial Rules for the Administration of the Trust Fund for the CBD.

21. Although the UNFCCC COP decision on the core budget does not refer to the criteria applied, the COP, by its decision 17/CP.4, amended the financial rules omitting references to a specific criterium, reading as follows:

Contributions made each year by Parties on the basis of the 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;

22. In light of the fact that the UNCCD secretariat applies the criteria set out in General Assembly resolutions attributed to the relevant financial period, the UNCCD secretariat is therefore recommending that the UNCCD COP consider amending paragraph 12, item (a) as was adopted by UNFCCC COP decision 17/CP.4.

IV. Conclusions and recommendations

23. **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 2018–2019

<i>Project</i>	<i>Income (Euros)</i>	<i>Expenditure (Euros)</i>	<i>Balance (Euros)</i>
Hosting of the CRIC in Georgetown, Guyana	158 367	157 841	526
Contribution to events at COP 14	8 570	0	8 570
World Day to Combat Desertification 2018	8 570	8 058	512
Creating lands of opportunity: Transforming Livelihoods through Landscape Restoration in the Sahel	2 500 000	0	2 500 000
LDN Activities	283 161	159 634	123 527
CSO activities	188 248	106 519	81 729
Cost sharing arrangement in the New York Liaison Office	174 064	160 435	13 629
Secondment of a Programme Officer to the RCU office in Istanbul, Turkey	145 690	94 108	51 582
Ankara Initiative 2018	1 102 288	0	1 102 288
Changwon Initiative 2018	1 242 650	100 774	1 141 876
Secondment of a Programme Officer to the UNCCD Asia RCU office in Bangkok, Thailand 2018–2019	110 810	51 369	59 441
Support to the RCU office in Rabat, Morocco	104 102	51 623	52 479
Support for global vulnerability mapping of sand and dust storms, the Global Land Outlook and policy guidance on rural-urban symbiosis	179 961	27 591	152 370
Support to the UNCCD secretariat to implement decisions adopted at COP 11	300 000	276 630	23 370
Land of Life Award programme	120 990	0	120 990
Great Green Wall	1 250 000	49 768	1 200 232
Global Support Programme Activities	1 347 682	811 319	536 363
Total	9 225 153	2 055 669	7 169 484

Abbreviations: CRIC = Committee for the Review of the Implementation of the Convention; COP 14 = fourteenth session of the Conference of the Parties; CSO = civil society organization; LDN = land degradation neutrality; RCU = Regional Coordination Unit; UNCCD = United Nations Convention to Combat Desertification.