



Convention to Combat Desertification

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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 9/COP.9, Parties requested the Executive Secretary to report to the Conference of the Parties at its tenth 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 funds for the biennium 2010–2011 as at 31 May 2011. For the core budget, the expenditures estimated to be incurred by 31 December 2011 are also presented.

Following 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. This performance reporting shall cover all activities in the programme budget. Accordingly, Parties may wish to review the financial performance of the Convention trust funds against the level 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 documents ICCD/COP(10)/11, ICCD/COP(10)/12, ICCD/COP(10)/13, ICCD/COP(10)/14 and ICCD/COP(10)/15, presenting the performance of the Convention bodies by 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 9/COP.9, Parties requested the Executive Secretary to report to the COP at its tenth session (COP 10) on the status of the trust funds established under its financial rules.

B. Scope of the note

2. The present document provides an overview of the income and expenditure of all Convention trust funds for the biennium 2010–2011 as at 31 May 2011.

3. According to the 10-year strategic plan and framework to enhance the implementation of the Convention (2008–2018) (The Strategy), which was adopted by the COP in decision 3/COP.8, the Convention bodies and institutions were requested to prepare four-year work plans and two-year work programmes in line with their mandates, following a results-based management (RBM) approach, to outline their contribution to The Strategy. The implementation of the work plans 2010–2013 and the work programmes 2010–2011 provide the basis for the performance of the Convention trust funds, as contained in this document. Consequently, this document should be read in conjunction with the detailed performance reports concerning the work programmes of the secretariat,¹ the Global Mechanism (GM),² the Committee on Science and Technology (CST)³ and the Committee for the Review of the Implementation of the Convention (CRIC),⁴ as well as the joint work programme between the GM and the secretariat.⁵

II. Income and expenditure report

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

1. Budget

4. The COP, by its decision 9/COP.9, approved a core budget of EUR 16.4 million for the biennium 2010–2011 (see table 1). Funding for the approved budget comes from indicative contributions by all Parties and the Host Government.

¹ ICCD/COP(10)/12.

² ICCD/COP(10)/15.

³ ICCD/COP(10)/14.

⁴ ICCD/COP(10)/13.

⁵ ICCD/COP(10)/11.

Table 1
Programme budget for the biennium 2010–2011
 (Euros)

	<i>2010</i>	<i>2011</i>	<i>2010–2011</i>
Direct costs for programme activities	7 213 100	7 219 500	14 432 600
Programme support costs	937 700	938 500	1 876 200
Adjustment to working capital reserve	28 000	28 000	56 000
Total approved budget	8 178 800	8 186 000	16 364 800
Indicative contributions from all Parties	7 667 600	7 674 700	15 342 300
Contributions from the Host Government	511 200	511 300	1 022 500
Total income	8 178 800	8 186 000	16 364 800

2. Income

5. As at 31 May 2011, the trust fund had received EUR 10.2 million, or 66.1 per cent, of the total indicative contributions for the biennium. As of this report, the voluntary contribution from the Host Government had not been received for 2011. Table 2 indicates the actual amount of income received so far in the biennium.

Table 2
Income received for the biennium 2010–2011
 (Euros)

	<i>2010–2011</i>
Carry-over from 2008–2009	963 475
Indicative contributions for 2010–2011	10 146 025
Contributions for previous years	315 145
Contributions from the Host Government	511 292
Contributions for future years received in advance	52 682
Interest and miscellaneous income	522 506
Total income received	12 511 125

6. Parties may wish to note that the total amount of outstanding indicative contributions is USD 1.6 million for 2002–2007 and EUR 6 million for 2008–2011. Tables 3 and 4 provide details on the number of Parties and the amount outstanding by year.

Table 3
Outstanding contributions to the Convention by year for the period 2002–2007, as at 31 May 2011
 (United States Dollars)

	<i>Number of Parties</i>	<i>Outstanding amount</i>
Outstanding since 1 January of:		
2002	2	160
2003	4	946
2004	7	138 313
2005	10	308 678
2006	14	516 018
2007	27	602 651
Total		1 566 767

Table 4
Outstanding contributions to the Convention by year for the period 2008–2011, as at 31 May 2011
 (Euros)

	<i>Number of Parties</i>	<i>Outstanding amount</i>
Outstanding since 1 January of:		
2008	41	671 009
2009	52	132 846
2010	76	146 358
2011	136	5 087 191
Total		6 037 404

7. 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 to pay future contributions by the due date.⁶ In July 2010, the secretariat sent reminders to all Parties with outstanding contributions and invited those Parties with contributions outstanding for two years or more to make payment arrangements. As at 31 May 2011, two Parties settled their outstanding contributions of two years or more.

8. The secretariat will continue to remind Parties of their outstanding contributions and post the monthly status of indicative contributions on its website.⁷

3. Expenditure

9. Expenditure as at 31 May 2011 in the Trust Fund for the Core Budget of the UNCCD amounted to EUR 7 million using the average exchange rate⁸ for the first

⁶ Decision 9/COP.9, paragraph 13.

⁷ <<http://www.unccd.int/secretariat/menu.php?newch=l6>>.

seventeen months of the biennium. Table 5 shows a comparison between the approved budget of the secretariat, the CST and the CRIC, and related expenditure for the period.

Table 5
Expenditure by programme as at 31 May 2011
(Euros)

<i>Programmes</i>	<i>Approved budget 2010–2011</i>	<i>Expenditure as at 31May 2011</i>	<i>Percentage variance</i>
A. Secretariat			
Advocacy, awareness raising and education	1 016 700	698 487	68.7
Policy framework	1 081 200	858 119	79.4
Science, technology and knowledge	1 274 300	953 465	74.8
Capacity-building	241 400	220 661	91.4
Financing and technology transfer	315 600	286 156	90.7
Executive direction and management	1 824 700	1 289 898	70.7
Conference services	647 700	513 109	79.2
Administration and finance services	4 263 800	2 121 990	49.8
Subtotal secretariat	10 665 400	6 941 886	65.1
B. Committee on Science and Technology	72 000	46 015	63.9
C. Committee for the Review of the Implementation of the Convention	72 000	23 709	32.9
Total (A–C)	10 809 400	7 011 609	64.9

10. As may be seen in the table, almost all appropriation lines of the approved budget were near the ideal budget implementation rate of 71 per cent for this time in the biennium. Due to the uncertainty of the total cost and the source of funding for the sessions of the CST and the CRIC in February 2011, the secretariat delayed implementation of its procurement plan to ensure sufficient funding for the sessions. It is anticipated that expenditure will significantly increase under the Administration and Finance Services unit as the procurement plan is initiated in the course of this year.

11. More information on expenditure may be found in the reports on the implementation of the costed two-year work programme for the biennium 2010–2011 for the secretariat⁹ and the GM.¹⁰

⁸ USD 1 equal to EUR 0.747.

⁹ ICCD/COP(10)/12.

¹⁰ ICCD/COP(10)/15.

B. Trust Fund for Participation of Representatives of Eligible Parties in the Sessions of the UNCCD Conference

12. As at 31 May 2011, the Trust Fund for Participation of Representatives of Eligible Parties in the Sessions of the UNCCD Conference received EUR 1 million in income, including carry-over from prior periods, which were used to fund participants from eligible Parties, designated Science and Technology Correspondents from eligible affected countries and representatives from non-governmental organizations.

13. The secretariat estimates that an additional amount of EUR 1.3 million will be required to fund adequate participation at COP 10 in Changwon, Republic of Korea in October 2011. Information on income and expenditure against the Participation Fund can be found in table 6.

Table 6
Income and expenditure in the participation fund as at 31 May 2011
(Euros)

	<i>2010–2011</i>
<i>Income</i>	
Carry-over from 2008–2009	394 426
Voluntary contributions received for 2010–2011	615 072
Interest and miscellaneous income	1 939
Total income	1 011 437
<i>Expenditure</i>	
Travel costs of participants to 5 Bureau meetings of the COP	136 717
Travel costs of 183 eligible participants to the sessions of the CST-S2 and CRIC9	539 384
Programme support costs	87 894
Total expenditure	763 995
Balance of funds	247 442

C. Trust Fund for Voluntary Financing of Activities under the UNCCD

14. Parties may recall that the COP, by its decision 9/COP.9, took note of the extrabudgetary funding needs in the amount of EUR 10.6 million for supplementary activities in the secretariat work programme contained in the programme and budget for the biennium 2010–2011. Table 7 shows the income and expenditure as at 31 May 2011.

Table 7
Income and expenditure in the Trust Fund for Voluntary Financing Activities as at 31 May 2011

(Euros)

<i>2010–2011</i>	
<i>Income</i>	
Carry-over from 2008–2009	2 384 086
Voluntary contributions received for 2010–2011	2 261 903
Interest and miscellaneous income	5 966
Total income	4 651 955
<i>Expenditure</i>	
Disbursements and obligations	2 124 219
Programme support costs	276 009
Total expenditure	2 400 228
Balance of funds	2 251 727

15. Out of the voluntary contributions amounting to approximately EUR 10.6 million that were proposed in the programme budget of the secretariat, only EUR 2.3 million had been received by 31 May 2011. Parties may wish to note, however, that secretariat received contributions in-kind from partner organizations.

16. Parties may recall that one of the aims of the 2010–2011 work programme of the secretariat was to increase partnerships in delivering its tasks, with the view to benefit from the competence of various organizations and to share the costs of the activities. This aim was successfully met, and consequently the need for cash contributions lessened. An overview of the major partnerships involved in the delivery of the secretariat's outputs and activities, together with an estimated amount of funding that these partnerships represent, is shown in table 8.

Table 8
Contributions in-kind for the secretariat
 (Euros)

<i>Work plan section</i>	<i>Outputs activities and main partners involved</i>	<i>Estimated in-kind contribution</i>
1.1	Launching meetings and information material concerning the United Nations Decade for Deserts and Fight Against Desertification: Brazil, Korea Forest Service, UNEP, UNDP, United Nations Department for Public Information, UNEP World Conservation and Monitoring Centre (WCMC), International Institute for Environment and Development (IIED) and Colorado State University	400 000

<i>Work plan section</i>	<i>Outputs activities and main partners involved</i>	<i>Estimated in-kind contribution</i>
2.1 and 2.3	<ul style="list-style-type: none"> - United Nations System-wide Rapid Response Report on Drylands: UNEP and UNDP - Publication on climate change in the African drylands: UNDP and UNEP - “The Forgotten Billion” publication: UNDP - “Dryland Opportunities” publication: International Union for Conservation of Nature, IIED and UNDP, among others - “African Drylands Commodity Atlas” publication: Common Fund for Commodities - “Highlands and Drylands: How mountains sustain resilience in arid regions” publication: FAO-Mountain Partnership and Switzerland 	150 000
3.1	4th national reporting cycle and the development of the PRAIS system: the GEF, UNEP-WCMC and affected country Parties	5.3 million
6.6	Provision of information and communication technology services: United Nations Secretariat	250 000
	Indicative total	6.1 million

17. The human resources of the secretariat were also strengthened through the appointment of three United Nations associate programme officers and one professional staff member, who were sponsored by their respective governments. The estimated value of this in-kind contribution was EUR 500,300, which was in addition to the contributions received for the seconded staff referred to in the annex.

18. In summary, the secretariat received EUR 2.3 million in voluntary contributions, EUR 6.1 million of in-kind contributions through partnerships and EUR 500,300 representing sponsored staff members, for a total amount of approximately EUR 8.4 million.

19. Nevertheless, some of the planned outputs and activities of the secretariat were delayed, delivered at a lower quantity than planned or not initiated at all due to a lack of voluntary contributions. These outputs and activities include the following:

- (a) Production of awareness-raising and informative material: the volume of prints of material and their translations was below the planned level;
- (b) Support to CSO involvement in the UNCCD process, including funding for sponsoring CSO participation, production of information material for CSO use, and analytical work on private sector involvement;
- (c) Peer review processes and consultative workshops for the development of policy frameworks concerning water and migration;
- (d) Further analysis, development of approaches, and inputs to meetings and processes on biodiversity in drylands, forestry, food security, gender and renewable energy, and the links between these topics and desertification/land degradation and drought;
- (e) Further analysis and development of structured support for promoting synergies among national programmes concerning the Convention on Biological Diversity

(CBD), the United Nations Convention to Combat Desertification (UNCCD) and the United Nations Framework Convention on Climate Change (UNFCCC);

(f) Various tasks concerning the national reporting in 2010 and further development of the reporting methodologies, including the preparation of updated reporting templates for consideration at CRIC 10, contacts with relevant organizations that use monitoring tools relating to DLDD and SLM, and the development of a publicly accessible database for lessons learnt and best practices, among other issues;

(g) Analysis of possibilities for cooperation between the CST and the scientific subsidiary bodies of CBD and UNFCCC, as well as with the intergovernmental panels on climate change, biodiversity and ecosystem services;

(h) Promotion of knowledge, information delivery and policy analysis on drought;

(i) Organization of expert meetings to refine the impact indicators;

(j) Provision of technical support to countries that participate in the pilot tracking exercises concerning the development of impact indicators;

(k) The fellowship programme; and

(l) Various tasks concerning cooperation with the GEF, including the establishment of a website on GEF matters.

20. More detailed information on income and expenditure against this trust fund can be found in the annex.

D. Trust Fund for Convention Events Organized by the UNCCD secretariat (the Bonn Fund)

21. The Government of Germany, host 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 2010–2011, EUR 511,292 has been received by the secretariat, in addition to the carry-over balance and miscellaneous income.

22. The Bonn Fund is utilized according to a cost plan which is proposed by the secretariat and accepted by the Government of Germany. As at 31 May 2011, EUR 845,877 had been used according to the cost plans agreed for 2010 and 2011. An overview of this utilization is presented in table 9.

Table 9

Income and expenditure in the Bonn Fund as at 31 May 2011 (Euros)

	<i>2010–2011</i>
<i>Income</i>	
Carry-over from 2008–2009	275 034
Voluntary contributions received for 2010–2011	511 292
Interest and miscellaneous income	1 038

Total income	787 364
<i>Expenditure</i>	
Disbursements and obligations	748 563
Programme support costs	97 313
Total expenditure	845 877
Balance of funds	(58 513)

E. Special Account for Programme Support Costs

23. 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 City. Table 10 shows a status of the Special Account.

Table 10

Income and expenditure in the Special Account for Programme Support Costs as at 31 May 2011

(Euros)

<i>Income</i>	
Carry-over from 2008–2009	1 099 344
Programme support costs income in 2010–2011	1 633 095
Interest and miscellaneous income	52 171
Total income	2 784 610
<i>Expenditure</i>	
Disbursements and obligations	1 550 768
Total expenditure	1 550 768
Balance of funds	1 233 842

IV. Conclusions and recommendations

24. 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 in the biennium 2010–2011

(Euros)

<i>Project</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance</i>
Secondment of an Assistant Programme Officer to the UNCCD Asia RCU office in Bangkok	204 920	166 411	38 509
Cost sharing arrangement of a Programme Officer at the Liaison Office in New York City	101 008	110 868	(9 860)
Implementation of the communication strategy	55 000	26 278	28 722
Facilitation of the participation of CSOs in the UNCCD process	20 000	0	20 000
Participation in the Joint Liaison Group	5 000	185	4 815
Continued work on methodologies, baselines, data availability, including the development of a glossary for the subset of impact indicators	61 700	42 169	19 531
Preparation of the 2nd scientific conference	100 000	15 176	84 824
Consultancy for the evaluation of the GM	35 138	51 999	(16 861)
Alignment of action programmes	162 317	64 181	98 136
Policy framework and advocacy	87 805	35 343	52 462
To implement a Joint Project on “The Best Practices for Mitigating Desertification, Land Degradation and Drought in the Asia-Pacific Region” – contribution from the Asia-Pacific Region to COP 10	40 320	40 320	0
Contribution of a Liaison Officer towards the organization of COP 10	73 400	6 202	67 198
Secondment of a Programme Officer to KMST (2012–2013)	270 000	0	270 000
Launching of the Pilot Tracking Exercise for the validation of the set of impact indicators	343 200	116 374	226 826
Training sessions in the five Regional Implementation Annexes	61 258	58 031	3 226
SRAP/RAP analysis, cooperation agreement and PRAIS	476 985	71 073	405 912
Secondment of a Programme Officer to the Regional Coordination Functions unit	63 558	40 349	23 209
Total	2 161 609	844 959	1 316 649

Abbreviations: United Nations Convention to Combat Desertification = UNCCD, Regional Coordination Unit = RCU, Civil Society Organization = CSO, Global Mechanism = GM, Conference of the Parties = COP, Knowledge Management, Science and Technology = KMST, Subregional Action Programme = SRAP, Regional Action Programme = RAP, performance review and assessment of implementation system = PRAIS.