



## Convention to Combat Desertification

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### Conference of the Parties

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Item 9 (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.10, Parties requested the Executive Secretary to report to the Conference of the Parties at its eleventh 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 2012–2013 as at 31 March 2013.

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 document ICCD/CRIC(12)/3, presenting the performance of the Convention bodies by the results achieved.

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\* The submission of this document was delayed due to the need for extensive internal and external consultations in order to provide Parties with the latest available information.

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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.10, Parties requested the Executive Secretary to report to the COP at its eleventh session (COP 11) 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 2012–2013 as at 31 March 2013.

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 by its 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 approach, to outline their contribution to The Strategy. The implementation of the work plans for the period 2012–2013 and the work programmes for 2012–2013 provide the basis for the performance of the Convention trust funds, as contained in this document. This document should therefore be read in conjunction with the detailed performance report of the Convention 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) for the biennium 2012–2013.<sup>1</sup>

## **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 10/COP.10, approved a core budget of EUR 16.1 million for the biennium 2012–2013 (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/(12)/3.

Table 1  
**Programme budget for the biennium 2012–2013**  
 (Euros)

	2012	2013	2012–2013
Direct costs for programme activities	7 155 124	7 317 023	14 472 147
Programme support costs	930 166	951 213	1 881 319
Adjustment to working capital reserve	(225 182)		(225 182)
<b>Total approved budget</b>	<b>7 860 108</b>	<b>8 268 236</b>	<b>16 128 344</b>
Indicative contributions from all Parties	7 348 816	7 756 944	15 105 760
Contributions from the Host Government	511 292	511 292	1 022 584
<b>Total income</b>	<b>7 860 108</b>	<b>8 268 236</b>	<b>16 128 344</b>

## 2. Income

5. As at 31 March 2013, the trust fund had received EUR 8.3 million, or 54.8 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 2013. Table 2 indicates the actual amount of income received so far in the biennium.

Table 2  
**Income received for the biennium 2012–2013**  
 (Euros)

	2012–2013
Carry-over from 2010–2011	974 833
Indicative contributions for 2012–2013	8 283 542
Contributions for previous years	728 138
Contributions from the Host Government	511 292
Contributions for future years received in advance	17 035
Interest and miscellaneous income	132 104
<b>Total income received</b>	<b>10 646 944</b>

6. Parties may wish to note that the total amount of outstanding indicative contributions is USD 1.1 million for 2002–2007 and EUR 7.8 million for 2008–2013. 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 March 2013**

(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	7	473
2006	10	491 025
2007	25	601 854
<b>Total</b>		<b>1 094 036</b>

Table 4

**Outstanding contributions to the Convention by year for the period 2008–2013, as at 31 March 2013**

(Euros)

	<i>Number of Parties</i>	<i>Outstanding amount</i>
Outstanding since 1 January of:		
2008	30	664 445
2009	38	104 037
2010	47	60 824
2011	62	149 417
2012	84	568 591
2013	149	6 253 627
<b>Total</b>		<b>7 800 941</b>

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.<sup>2</sup> In July 2012, 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 March 2013, the secretariat has not been contacted by any Party to make these arrangements for outstanding contribution 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.<sup>3</sup>

<sup>2</sup> Decision 9/COP.9, paragraph 13.

<sup>3</sup> <[www.unccd.int/en/about-the-convention/The-Secretariat/Pages/default.aspx](http://www.unccd.int/en/about-the-convention/The-Secretariat/Pages/default.aspx)>.

### 3. Expenditure

9. Expenditure as at 31 March 2013 in the Trust Fund for the Core Budget of the UNCCD amounted to EUR 8.4 million using the average exchange rate<sup>4</sup> for the first 15 months of the biennium. Table 5 shows a comparison between the approved budget of the secretariat, the CST, the CRIC, the GM and related expenditure for the period.

Table 5  
**Expenditure by programme as at 31 March 2013**  
(Euros)

<i>Programmes</i>	<i>Approved budget 2012–2013</i>	<i>Expenditure as at 31 March 2013</i>	<i>Percentage variance</i>
<b>A. Secretariat</b>			
Advocacy, awareness raising and education	1 423 500	858 721	60.3
Policy framework	1 163 200	678 683	58.3
Science, technology and knowledge	2 259 200	1 209 312	53.5
Capacity-building	707 300	429 100	60.7
Financing and technology transfer	152 400	91 513	60.0
Executive direction and management	2 007 700	1 100 712	54.8
Conference services	651 800	429 599	65.9
Administration and finance services	2 323 875	1 482 309	63.8
<b>Subtotal secretariat</b>	<b>10 688 975</b>	<b>6 279 949</b>	<b>58.8</b>
<b>B. Committee on Science and Technology</b>	<b>76 000</b>	<b>41 581</b>	<b>54.7</b>
<b>C. Committee for the Review of the Implementation of the Convention</b>	<b>76 000</b>	<b>17 642</b>	<b>23.2</b>
<b>D. Global Mechanism</b>			
Advocacy, awareness raising and education	541 059	216 632	40.0
Policy framework	410 347	195 000	47.5
Financing and technology transfer	1 370 840	1 032 525	75.3
Executive direction and management	1 308 926	618 925	47.3
<b>Subtotal Global Mechanism</b>	<b>3 631 172</b>	<b>2 063 082</b>	<b>56.8</b>
<b>Total (A–D)</b>	<b>14 472 147</b>	<b>8 402 254</b>	<b>58.1</b>

10. As shown in table 5, almost all appropriation lines of the approved budget were near the ideal budget implementation rate of 62.5 per cent for this time in the biennium. It should be noted that by 31 May 2013, the secretariat had a budget implementation rate of 69.9 per cent against an ideal implementation rate of 70.8 per cent.

<sup>4</sup> USD 1 equal to EUR 0.773.

11. More information on expenditure may be found in the report on the Convention secretariat, the GM, the CST and the CRIC of the Convention (2012–2013).<sup>5</sup>

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

12. As at 31 March 2013, 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 1.1 million will be required to fund adequate participation at COP 11 in Windhoek, Namibia, in September 2013. Information on income and expenditure against the Participation Fund is given in table 6.

Table 6

### **Income and expenditure in the participation fund as at 31 March 2013**

(Euros)

	<i>2012–2013</i>
<i>Income</i>	
Carry-over from 2010–2011	629 822
Voluntary contributions received for 2012–2013	357 982
Interest and miscellaneous income	7 6 15
<b>Total income</b>	<b>995 419</b>
<i>Expenditure</i>	
Travel costs of participants to 2 Bureau meetings of the COP	68 590
Travel costs obligated for 156 eligible participants to the sessions of the CST S-3 and CRIC 11	290 211
Programme support costs	46 025
<b>Total expenditure</b>	<b>404 826</b>
<b>Balance of funds</b>	<b>590 593</b>

## **C. Trust Funds for Voluntary Financing of Activities under the UNCCD**

14. Parties may recall that the COP, by its decision 10/COP.10, took note of the extrabudgetary funding needs for supplementary activities in the amount of EUR 12.1 million for the secretariat work programme and EUR 14.8 million for the Global

<sup>5</sup> ICCD/CRIC(12)/3.

Mechanism contained in the programme and budget for the biennium 2012–2013. Table 7 shows income and expenditure as at 31 March 2013.

Table 7

**Income and expenditure in the respective Trust Funds for Voluntary Financing Activities for the secretariat and the Global Mechanism as at 31 March 2013**

(Euros)

	<i>Secretariat</i>	<i>Global Mechanism</i>
<i>Income</i>		
Carry-over from 2010–2011	820 732	4 675 971
Voluntary contributions received for 2012–2013	2 072 627	3 163 868
Interest and miscellaneous income	22 155	99 391
<b>Total income</b>	<b>2 915 514</b>	<b>7 939 231</b>
<i>Expenditure</i>		
Disbursements and obligations	2 331 062	3 316 700
Programme support costs	302 241	-
<b>Total expenditure</b>	<b>2 633 303</b>	<b>3 316 700</b>
<b>Balance of funds</b>	<b>282 211</b>	<b>4 622 531</b>

15. Out of the estimated amount of voluntary contributions amounting to EUR 12.1 million proposed in the programme budget of the secretariat, only EUR 2.1 million had been received by 31 March 2013, which represents 17 per cent of the voluntary contributions required to implement the activities set out in the work programme of the secretariat for the biennium 2012–2013. Comparatively, out of the EUR 14.1 million in voluntary contributions proposed in the programme budget of the Global Mechanism, EUR 3.2 million had been received, representing 22 per cent of the estimated amount.

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

16. 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 2012–2013, EUR 511,292 has been received by the secretariat, in addition to the carry-over balance and miscellaneous income.

17. 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 March 2013, EUR 506,807 had been used according to the cost plans agreed for 2012 and 2013. An overview of this utilization is presented in table 9.



Table 9  
**Income and expenditure in the Bonn Fund as at 31 March 2013**  
 (Euros)

	<i>2012–2013</i>
<i>Income</i>	
Carry-over from 2010–2011	200 522
Voluntary contributions received for 2012–2013	511 292
Interest and miscellaneous income	11 689
<b>Total income</b>	<b>723 503</b>
<i>Expenditure</i>	
Disbursements and obligations	448 502
Programme support costs	58 305
<b>Total expenditure</b>	<b>506 807</b>
<b>Balance of funds</b>	<b>216 696</b>

## E. Special Account for Programme Support Costs

18. 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 the status of the Special Account.

Table 10  
**Income and expenditure in the Special Account for Programme Support Costs as at 31 March 2013**  
 (Euros)

<i>Income</i>	
Carry-over from 2010–2011	1 305 193
Programme support costs income in 2012–2013	1 490 557
Interest and miscellaneous income	64 588
<b>Total income</b>	<b>2 860 338</b>
<i>Expenditure</i>	
Disbursements and obligations	2 221 598
<b>Total expenditure</b>	<b>2 221 598</b>
<b>Balance of funds</b>	<b>63 874</b>

### **III. 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) in the biennium 2012–2013

(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	176 132	45 589	130 543
Cost sharing arrangement of a Programme Officer at the Liaison Office in New York City	98 028	25 293	72 735
Land for Life Award	96 402	96 402	0
Ad hoc intersessional working groups on midterm evaluation of The Strategy	98 300	98 300	0
Partnership arrangement through the Northeast Asia DLDD Network	113 250	113 250	0
Study on the economics of land degradation	160 800	43 109	117 691
Study and advocacy on the land degradation neutral world	72 450	72 450	0
Knowledge management and brokering system	40 250	40 250	0
AGTE working on the refinement of impact indicators	40 250	40 250	0
AGSA	40 250	40 250	0
Elaboration of national report preparation process and NAP alignment of developing countries	287 209	269 485	17 724
Studies, specific regional events, and scientific conferences	166 459	166 459	0
Secondment of a Programme Officer to EDM	129 710	148 748	(19 038)
Developing the PRAIS capacity in review and analysis, experience sharing dissemination of technical information, and establishing a framework for practical synergies and joint reporting	208 163	214 309	(6 146)
Asia regional workshop on “Dust and Sand Storm”	77 700	0	77 700
Voluntary fund activities	7 770	0	7 770
Final phase of Jatropha Cape Verde Project	100 000	0	100 000
Support to the secretariat of the UNCCD for development of policy options based on priorities identified in the Work Programme 2010-2011 : final payment	159 501	159 501	0
<b>Total</b>	<b>2 072 624</b>	<b>1 573 645</b>	<b>498 979</b>

Abbreviations: AGSA = Ad Hoc Working Group to Further Discuss the Options for the Provision of Scientific Advice Focusing on Desertification/Land Degradation and Drought Issues; AGTE = Ad Hoc Advisory Group of Technical Experts; DLDD = desertification/land degradation and drought; EDM = Executive Direction and Management; NAP = national action programme; PRAIS = performance review and assessment of implementation system; RCU = Regional Coordination Unit; UNCCD = United Nations Convention to Combat Desertification.