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PROGRAMME AND BUDGET

Programme and budget for the biennium 2004-2005

Note by the secretariat

Addendum

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I. EXECUTIVE SUMMARY

1. The proposed programme and budget for the biennium 2004-2005 reflects the provisions of the Convention and the decisions of the Conference of the Parties (COP). In addition, the programme and budget proposals are in consistence with the recent activities of the secretariat as described in ICCD/CRIC(2)/2, taking into account the specific and time-bound challenges set by conclusions and recommendations of the first session of the Committee for the Review of the Implementation of the Convention (CRIC) and by the Declaration on the commitments to enhance the implementation of the obligations of the Convention adopted by the fourth session of the COP.

2. Total resources requirements for the biennium 2004-2005, including programme support costs and working capital reserve, but excluding possible conference servicing costs, are estimated at US\$ 25,037,900 (US\$ 12,327,900 for 2004 and US\$ 12,710,400 for 2005). This budget proposal has taken into account the effect of the movement of the dollar against the Euro since the submission of the budget for the concluding biennium. This reflects an increase of 33.4 per cent representing the real increase in actual additional resources requirements for the biennium. An additional 30 per cent increase represents the nominal increase as a result of the decline in the value of the dollar against the Euro, resulting in a total increase of 63.4 per cent for both the secretariat and the Global Mechanism (GM). At the time of preparing the 2002-2003 budget, one Euro equalled 0.889 US\$. However, at the time of submitting this proposal, one Euro equalled 1.1536 US\$, an increase of approximately 30 per cent since 2001, which explains the high nominal increase in the secretariat and GM resources. As further explained herein, a summary of the increases is as follows:

	<u>Thousands of US dollars</u>
Maintaining staff at current levels*	2,897
Funding of new posts and upgrades	1,500
Increases in training and other staff costs	283
Increase in travel costs	128
Increase on the previous biennium for the Committee on Science and Technology Group of Experts	443
Increase in contractual services, publications	183
Increase in general operating expenses and other costs, net	<u>386</u>
Total secretariat increase	5,820
Increase in costs of Global Mechanism	2,598
Increase in overhead	1,094
Increase in required working capital reserve	<u>315</u>
Total projected increase**	<u>9,827</u>

* General Service (GS) salaries are denominated in Euros, and Professional (P) staff receive a post allowance to adjust for the decline of the United States dollar vs. the Euro.

** Additionally, the amount of the host country Government's contribution has increased by US\$ 114,000, resulting in a net increase in the projected resource requirements of US\$ 9,713,000.

3. As can be seen from the above table, seven main factors account for most of the proposed increase. They can be explained as follows:

(a) The additional cost, in dollar terms, required simply to maintain the establishment at its current level. This factor by itself amounts to over one quarter of the proposed increase, and is due to currency fluctuations and, specifically, to the change in the dollar/Euro relationship; whereas the Euro was worth US\$ 0.8495 on 1 June 2002, it is worth US\$ 1.143 as at 7 May 2003. In the preparation of the 2004-2005 budget, a conservative forecast of one dollar per Euro has been used.

(b) The additional requirements for the GM amount similarly to almost one quarter of the proposed increase, as explained in paragraphs 65 to 74 below.

(c) A proposal is made to establish 12 new posts. These are 1 P-3 in the Executive Direction and Management (EDM), 1 P-3 and 1 P-2 in the substantive support to the Conference of the Parties, its Subsidiary Bodies and Legal Advice (COPSUPLA), 1 P-2 and 1 GS in the Committee on Science and Technology (CST), 2 P-3, 1 P-2 and 2 GS in Facilitation, 1 GS in Executive Direction and Management/External Relations and Public Information (EDM/ERPI) and 1 P-3 in Administration and Finance. It is also proposed to upgrade five posts, including the reclassification from D-1 to D-2 of the post of Deputy Executive Secretary. These proposals account for about fifteen per cent of the proposed increase. The basis for these requests is contained in paragraphs 22, 31, 37, 38, 42, 48, 50 and 59 insofar as new posts are concerned, and in paragraphs 22, 28, 42 and 44 for reclassifications.

(d) Increased requirements for travel, amounting to approximately 0.8 per cent of the proposed additional resources.

(e) Additional costs for developing media outreach tools as well as reprinting and distribution of the UNCCD information kits in all six official United Nations languages.

(f) Finally, additional amounts in respect of overhead and of working capital reserve account for about fifteen per cent – that is, most of the remainder - of the proposed increase, and result directly from the factors described in (a) to (e) above.

4. In accordance with decision 1/COP.5, the sixth session of the COP will review the reports of the first and second sessions of the CRIC. In the light of past experience, it is expected that developing country Parties will continue to seek advisory support for the areas of policy advocacy, awareness raising and the facilitation of priority implementation processes.

5. The secretariat, notably under its joint work programme with the GM, will emphasize efforts to strengthen its support to many affected developing country Parties which are soliciting more assistance at this stage of their process at the national, subregional and regional levels.

6. In line with the Johannesburg Plan of Implementation of the World Summit on Sustainable Development (WSSD), the secretariat will continue to seek policy coherence and synergies between poverty eradication and combating desertification. The work programmes will include both policy

advice and support to decision makers at the country level to enable them better to integrate desertification, biodiversity and climate change issues into their national policy frameworks.

7. Capacity in the administration and finance programme will be strengthened in order to ensure improvements in providing the Parties with required services. Considerable effort will be put into developing finance and human resources policies, improving accounting controls and providing logistics services for meetings. With the implementation of the Integrated Management Information System (IMIS) in Bonn, services previously provided by the United Nations Office at Geneva (UNOG) have been taken over by this programme, necessitating a review of the current structure with a view to improving lead-time for service delivery. Most of the existing posts continue to be funded through the returns from United Nations programme support income. The Executive Secretary will continue to negotiate for the allocation of more funds from programme support income, in order more fully finance this programme.

8. The main emphasis of the programme and budget for 2004-2005, resulting in a limited increase of financial resources in real terms, could be summarized as follows: strengthening of support to the monitoring and assessment of the process of development or review of action programmes at the national, subregional and regional levels, facilitation of consultative processes leading to partnership arrangements and integration of action programmes to combat desertification into the development strategies and relevant policy frameworks, assistance in the development and implementation of synergistic programmes with other conventions, assistance to Parties in improving the efficiency of the CST, and support to awareness raising and public information activities.

II. BACKGROUND INFORMATION

A. Mandate

9. Rule 10(d) of the Rules of Procedure of the Conference of the Parties (ICCD/COP(1)/11/Add.1) 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.

10. By decision 4/COP.5, the COP requested the Executive Secretary to submit to the COP at its sixth session a programme and budget for the biennium 2004-2005, and to include in the proposed programme and budget detailed tables and narrative of the proposed expenditures, and resource requirements for each subsidiary body under the budget line for substantive support to the COP and its subsidiary bodies.

B. Scope of the note

11. The Executive Secretary submits a proposed core programme and budget for the biennium 2004-2005. Document ICCD/COP(6)/2/Add.2 contains information on the estimated requirements for the Supplementary Fund and the Special Fund for the forthcoming biennium. Document

ICCD/COP(6)/2/Add.6 includes information on the estimated costs involved in regional coordination units.

12. An executive summary of the proposed programme and budget is in chapter I. Chapters II and III provide general information and explain the methodology used in preparing the programme and budget. An overview of the proposals in tabular format (tables 2 and 3) is in chapter IV. Details of the proposed programme budget are in chapter V. Chapter VI presents the contingency budget for conference servicing costs of the seventh session of the COP and the third session of the CRIC.

III. METHODOLOGY USED IN PREPARING THE PROGRAMME AND BUDGET

A. Personnel costs

13. The financial data in this document reflect standard salary costs based on United Nations salary scales established for Bonn. They also include 40 per cent common staff costs based on actual UNCCD secretariat expenditure for P staff and 15 per cent for GS staff members. It is estimated that staff costs will increase at a rate of four per cent per year.

	<u>2004</u>	<u>2005</u>
	(Thousands of US dollars)	
ASG	215	224
D-2	196	203
D-1	180	187
P-5	155	161
P-4	130	135
P-3	110	114
P-2	84	87
General Service	57	60

B. Other costs and explanations

14. Travel and daily subsistence allowances for staff and consultants are estimated at US\$ 210 per day.

15. General operating expenses such as rent, communications, training, furniture, office supplies and equipment, the cost of temporary assistance required during peak periods and GS staff overtime are budgeted under the administration and finance programme, and have increased substantially due to the appreciation of the Euro vs. the US dollar.

16. Provision of insurance coverage for secretariat personnel, as required by Appendix D of United Nations Staff Rules, is included under staff costs under the administration and finance programme.

17. Income from the overhead charge returned to the secretariat by the United Nations will cover a part of the salaries and related costs of the administration and finance staff.

18. Meetings of the Bureaux of the CST and the CRIC will be held for two days annually. There will be two one-day meetings of the Bureau of the COP in New York in conjunction with regular meetings of the Commission on Sustainable Development (CSD) or of the Economic and Social Council (ECOSOC). The Bureau of the COP will guide the secretariat in the follow-up of decisions taken at COP 6, as well as in the preparation for COP 7. The third session of the CRIC will be held in 2004, and the seventh COP will be held in 2005 for a period of two weeks in Bonn, in the event that no Party makes an offer to host that session and to meet the additional financial costs.

IV. SUMMARY TABLES AND CHARTS

19. As indicated in table 1 below, additional resource requirements for the secretariat in the biennium 2004-2005 would represent a total cost increase of 54.2 per cent. The resource requirements submitted by the GM represent a total cost increase of 73.7 per cent.

Table 1. Summary of resource requirements for the biennium 2004-2005
(Thousands of US dollars)

Description	2002-2003 Amount approved	Total resource requirements for 2004-2005	% increase
Staff costs - UNCCD secretariat	6,889.7	11,287.1	63.8 %
Other costs - UNCCD secretariat (net)	3,852.4	5,274.1	36.9 %
Overhead - UNCCD secretariat	1,396.5	2,153.0	54.2 %
Subtotal - UNCCD secretariat	12,138.6	18,714.2	54.2 %
Staff and other costs - GM	3,524.6	6,123.0	73.7 %
Overhead - GM	458.2	795.9	73.7 %
Subtotal - GM	3,982.8	6,918.9	73.7 %
Subtotal - (UNCCD secretariat and GM)	16,121.4	25,633.1	59.0%
Working capital reserve	112.8	427.4	
Less: Contribution from host country Government	909.0	1,022.6	
Total Funds - (UNCCD secretariat + GM)	15,325.2	25,037.9	63.4 %

Table 2. Resource requirements by programme
(Thousands of US dollars)

Programme description	Total 2002-2003	2004	2005	Total 2004-2005
Executive direction and management	1,550.0	1,095.7	1,162.4	2,258.1
Substantive support to COP, its subsidiary bodies, and global issues	2,289.6	2,020.7	1,911.3	3,932.0
Facilitation of implementation and coordination	3,886.5	2,608.5	2,944.5	5,553.0
External relations and public information	1,130.0	845.5	882.6	1,728.1
Administration and finance	1,886.0	1,494.0	1,596.0	3,090.0
Subtotal UNCCD secretariat	10,742.1	8,064.4	8,496.8	16,561.2
Global Mechanism	3,524.6	2,970.5	3,152.5	6,123.0
Total programmes	14,266.7	11,034.9	11,649.3	22,684.2
Overhead	1,854.7	1,434.5	1,514.4	2,948.9
Working capital reserve ¹	112.8	369.8	57.6	427.4
Total resource requirements	16,234.2	12,839.2	13,221.3	26,060.5
Less: Contribution from host country Government	909.0	511.3	511.3	1,022.6
Net required amount	15,325.2	12,327.9	12,710.0	25,037.9

¹ For the year 2004 the required working capital reserve is calculated at US\$ 1,026,500, of which US\$ 665,200 should be brought forward from the previous biennium. The required working capital reserve for the year 2005 is calculated at US\$ 1,090,300.

Table 3. Resource requirements by object of expenditure
(Thousands of US dollars)

Object of expenditure	Total 2002-2003	2004	2005	2004-2005
Staff costs	6,889.7	5,349.2	5,937.9	11,287.1
Other staff-related costs	0.0	82.5	90.0	172.5
Consultants and experts	410.0	244.0	252.0	496.0
Training	70.0	42.0	52.0	94.0
Group of Experts	328.0	380.3	390.3	770.6
Official staff travel	1,387.4	744.4	770.6	1,515.0
Contractual services	351.0	353.0	106.0	459.0
General operating expenses	646.0	423.0	436.0	859.0
Hospitality	40.0	21.0	22.0	43.0
Supplies and materials	100.0	55.0	57.0	112.0
Acquisition of equipment	180.0	120.0	125.0	245.0
Contributions to joint services	340.0	250.0	258.0	508.0
Subtotal UNCCD secretariat	10,742.1	8,064.4	8,496.8	16,561.2
Global Mechanism	3,524.6	2,970.5	3,152.5	6,123.0
Total programmes	14,266.7	11,034.9	11,649.3	22,684.2
Overhead	1,854.7	1,434.5	1,514.4	2,948.9
Working capital reserve	112.8	369.8	57.6	427.4
Total resource requirements	16,234.2	12,839.2	13,221.3	26,060.5
Less: Contribution from host country Government	909.0	511.3	511.3	1,022.6
Net required amount	15,325.2	12,327.9	12,710.0	25,037.9

Table 4. Staffing requirements for the UNCCD secretariat

	2003	2004	2005
A. Professional category and above			
ASG	1	1	1
D-2	0	1	1
D-1	2	2	2
P-5	10	9	10
P-4	8	9	8
P-3	5	9	10
P-2	4	6	6
Subtotal A	30	37	38
B. General Service category	13	17	17
Total (A + B)	43	54	55

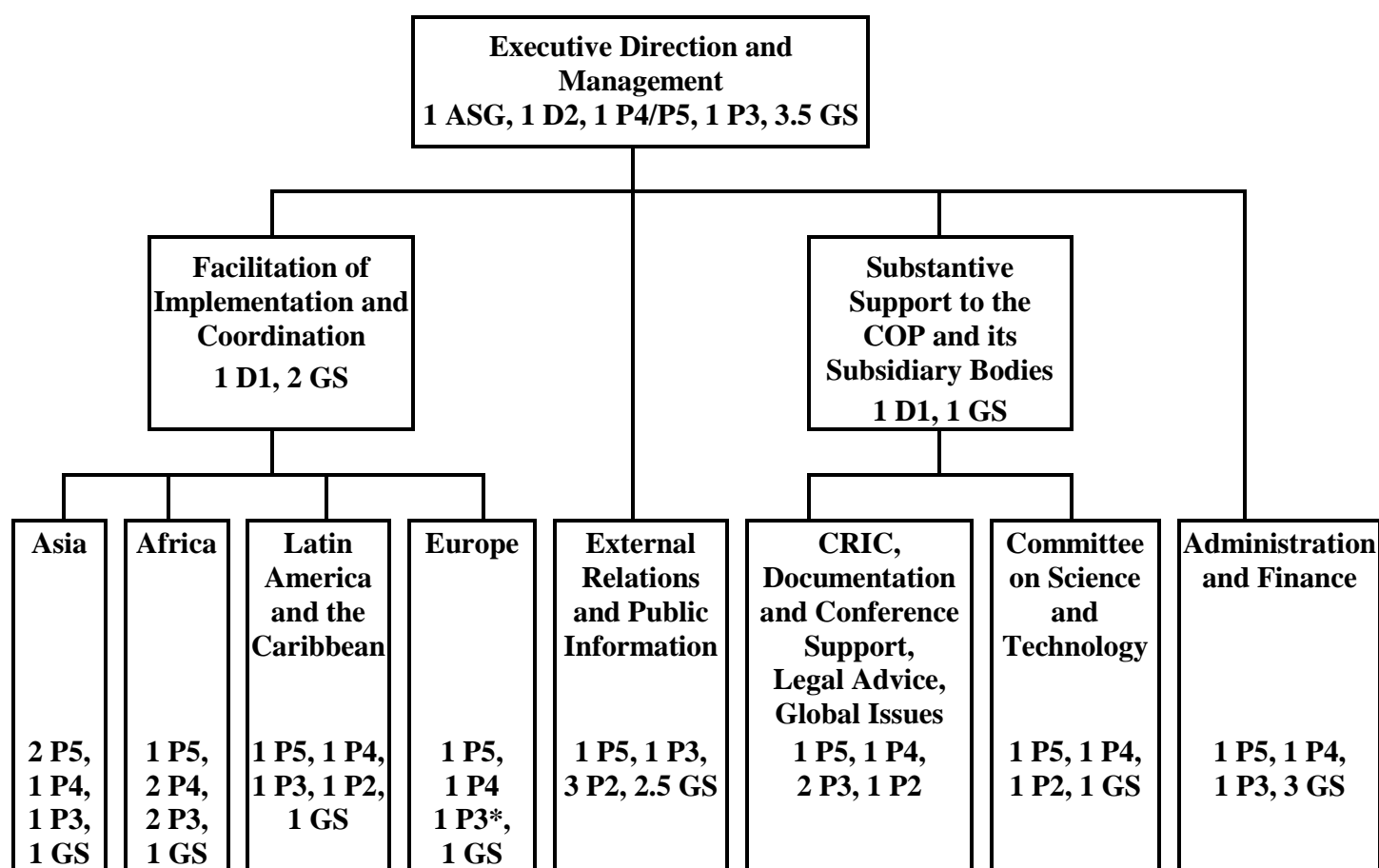
Table 5. Staffing requirements for the Global Mechanism

	2002-2003 ¹	2004 ²	2005 ²
A. Professional category and above			
D-2	1	1	1
D-1	1	1	1
P-5	4	5	5
P-4	1	1	1
P-3	2	4	4
Subtotal A	9	12	12
B. General Service category	5	8	8
Total (A + B)	14	20	20

¹ Posts as approved by decision 4/COP.5.

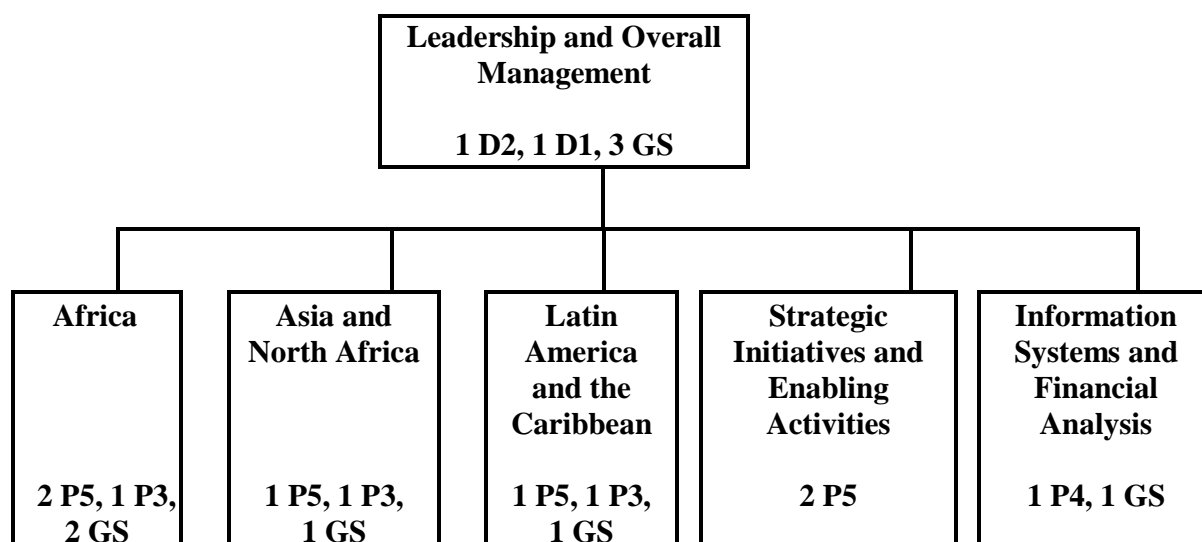
² Proposal for consideration by COP 6.

Chart 1. Proposed UNCCD core staffing for 2004-2005



* Proposed for establishment in 2005.

Chart 2. Proposed Global Mechanism core staffing for 2004-2005



V. PROGRAMME AND BUDGET FOR 2004-2005

A. Executive direction and management

Table 6. Resource requirements for executive direction and management
(Thousands of US dollars)

Object of expenditure	Total 2002-2003	2004	2005	Total 2004-2005
Staff-related costs	990.0	793.7	851.4	1,645.1
Consultants and experts	60.0	40.0	41.0	81.0
Official staff travel	460.0	241.0	248.0	489.0
Hospitality	40.0	21.0	22.0	43.0
Total resource requirements	1,550.0	1,095.7	1,162.4	2,258.1

Table 7. Staffing requirements for executive direction and management

	2003	2004	2005
A. Professional category and above			
ASG	1.0	1.0	1.0
D-2	0.0	1.0	1.0
D-1	1.0	0.0	0.0
P-5	0.0	0.0	1.0
P-4	1.0	1.0	0.0
P-3	0.0	1.0	1.0
Subtotal A	3.0	4.0	4.0
B. General Service category	3.0	3.5	3.5
Total (A + B)	6.0	7.5	7.5

20. The EDM programme supports the Executive Secretary in promoting the overall coherence of the work of the secretariat and its responsiveness to the needs of the Convention bodies. It provides policy guidance to the secretariat, organizes the internal management process and ensures an adequate information flow through the secretariat.

21. The EDM programme provides substantive support and advice to the COP, its subsidiary bodies and the respective Bureaux. It coordinates the representation of the secretariat at external meetings and events, analyses emerging policy issues and ensures that appropriate follow-up actions are taken. During the next biennium, particular attention will be paid to strengthening cooperation with relevant multilateral agreements, United Nations bodies and other intergovernmental and non-governmental organizations, as well as to addressing the relevant issues of the Plan of Implementation of the WSSD. Furthermore, the EDM programme will continue to promote the effective implementation of the Convention through high-level liaison with Parties.

22. In order to meet the expected scope of the UNCCD process, it is proposed to upgrade the post of Deputy Executive Secretary from D-1 to D-2. The Deputy Executive Secretary is expected to assist the Executive Secretary in supervising all secretariat activities and in liaising with Parties and institutions at the highest level. It is also proposed, starting from 2005, to reclassify the post of Special Assistant to level P-5. The tasks of the Special Assistant include advising the Executive Secretary on strategic issues of a cross-cutting nature, providing support to the Bureau of the COP, and following up relevant bilateral and multilateral initiatives relating to the Convention. In order effectively to respond to the increasing workload of the programme, a professional post of Programme Officer at P-3 level is included in the proposed budget for 2004-2005. The Programme Officer will support the EDM programme in management and resource mobilization for the secretariat. One new GS post will be shared with ERPI to aid the implementation of IMIS.

23. Apart from staff-related costs, resource requirements for the programme include official staff travel. The increase in travel costs reflects efforts to strengthen cooperation with all Parties, related

multilateral agreements, new and relevant environmental initiatives and United Nations specialized agencies, as well as international and non-governmental organizations, for effective implementation of the Convention.

B. Substantive support to the COP and its subsidiary bodies, and global issues

Table 8. Resource requirements for the substantive support to the COP and its subsidiary bodies, and global issues
(Thousands of US dollars)

Object of expenditure	Total			Total
	2002-2003	2004	2005	2004-2005
Staff-related costs	910.0	771.0	859.0	1,630.0
Consultants and experts	120.0	62.0	64.0	126.0
Official staff travel	120.0	65.0	67.0	132.0
Logistic support for CRIC 3	211.0	250.0	0.0	250.0
Total resource requirements	1,361.0	1,148.0	990.0	2,138.0

Table 9. Staffing requirements for substantive support to the COP and its subsidiary bodies, and global issues

	2003	2004	2005
A. Professional category and above			
D-1	0	1	1
P-5	2	1	1
P-4	0	1	1
P-3	1	2	2
P-2	1	1	1
Subtotal A	4	6	6
B. General Service category	1	1	1
Total (A + B)	5	7	7

24. According to the relevant decisions of the COP, the secretariat will:

(a) Provide organizational and substantive services to the COP and its subsidiary bodies, in agreement with article 22 of the Convention, and to its policy-making organs, including such legal advice as may be required;

(b) Facilitate strengthening of relationships with other relevant conventions and bodies, in accordance with article 8 of the Convention.

25. In order to carry out these tasks better, it is proposed that this programme be reinforced and divided into five subprogrammes:

- (a) Substantive support to the CRIC and related activities;
- (b) Substantive support to the CST and related activities;
- (c) Documentation and conference support service;
- (d) Legal advice;
- (e) Global issues.

26. The resource and staffing requirements for the programme are presented in tables 8 and 9, respectively. In accordance with decision 4/COP.5, the resource requirements for substantive support to the CST and related activities are presented separately.

27. In the event that the third session of the CRIC would be held in Bonn, an amount of US\$ 250,000 would be required to cover costs relating to logistical arrangements, including renting of the conference venue, installation of communication systems and contracting of local conference staff.

28. It is proposed that this programme be headed at the appropriate level by reclassifying the post of the Unit Coordinator from P-5 to D-1 so as to reflect the growth of the programme in servicing the COP and the two subsidiary bodies, in providing additional legal advice, and in the supervision of global issues management, including synergies with other conventions and the required development of relations with the Global Environment Facility (GEF) pursuant to the relevant decisions of the COP.

1. Substantive support to the CRIC and related activities

29. It is assumed that the CRIC will continue to perform its duties as provided in decision 1/COP.5, until the review of its terms of reference, its operations and its schedule of meetings, to take place no later than at COP 7.

30. The subprogramme will:

- (a) Provide secretarial services during the meetings of the CRIC;
- (b) Assist the CRIC in its task of improving the reporting and monitoring process under the Convention;
- (c) Assist the facilitation units in the synthesis and preliminary analysis of national reports from affected country Parties, providing them with homogeneous criteria against which progress in the implementation of the Convention would be assessed at subregional and regional levels, in accordance with the mandate and the terms of reference of the CRIC;

- (d) Improve the management of information on the implementation of the Convention;
- (e) Provide the CRIC with any other services that it may require in discharging its duties.

31. A P-3 post is required in order properly to serve the newly established subsidiary body, which is to meet annually, that is, two times in the biennium.

2. Substantive support to the CST and related activities

Table 10. Resource requirements for the substantive support
To the CST and related activities
(Thousands of US dollars)

Object of expenditure	Total			Total 2004-2005
	2002-2003	2004	2005	
Staff-related costs	440.0	406.4	443.0	849.4
Consultants and experts	80.0	41.0	42.0	83.0
Official staff travel	80.6	45.0	46.0	91.0
CST Bureau meetings	0.0	120.0	130.0	250.0
Group of Experts	328.0	260.3	260.3	520.6
Total resource requirements	928.6	872.7	921.3	1,794.0

Table 11. Staffing requirements for CST and related activities

	2003	2004	2005
A. Professional category and above			
P-5	1	1	1
P-4	1	1	1
P-2	0	1	1
Subtotal A	2	3	3
B. General Service category	0	1	1
Total (A + B)	2	4	4

32. The secretariat will provide substantive support to the CST in discharging its duties as provided in decision 15/COP.1 and the other relevant decisions of the COP. The related programme of work includes support to standing items on the CST agenda and the priority topics identified by the CST.

33. Pursuant to decision 16/COP.5, at each session the CST is to address in depth a priority issue relating to the implementation of the Convention. In the event that preparatory work on this subject is entrusted to an ad hoc panel of experts, appropriate provisions should be made by the COP.

34. According to decision 12/COP.5, the CST will review the revised proposal on the establishment of a network of institutions and experts on traditional knowledge. In the event that further activities are required, appropriate provision should be made by the COP.

35. The secretariat will continue to maintain and update the roster of independent experts, in accordance with article 24, paragraph 2 of the Convention, and relevant decisions of the COP.

36. In addition to the budget requirements for the organization of the meetings of the Group of Experts (GoE), resources are required for contributing to the cost of Group members' use of facilities (fax, telephone, data collection, stationary etc.), thus ensuring full functionality of the GoE.

37. To assist the GoE in the collection and dissemination of information according to its work programme, it is necessary to establish a database and a server to be located at secretariat headquarters. The system will be used by the GoE and by the various institutions working on topics relating to land use and land management. In doing so, the secretariat aims to become a centre of excellence on data and information relating to desertification and drought. To run the system, a full-time staff at P-2 level is required.

38. Due to the increased workload of CST-related activities, it is proposed to allocate one member of staff support to this subprogramme. In addition to staff-related costs, annual resource requirements cover consultancy services and staff travel, *inter alia*, to service and attend meetings of the GoE and other scientific events, as well as the costs of CST Bureau meetings.

3. Documentation and conference support service

39. The proposed budget for CRIC 3 (2004) and COP 7 (2005) is compiled on the assumption that the sessions will be held at UNCCD headquarters. In the event that the United Nations General Assembly decides to cease financing the conference services of the sessions of the COP and its subsidiary bodies, additional resources for conference services would be required. These are provided for under Contingency in chapter VI of this document.

40. The resource requirements include provisions for the meetings of the COP and CRIC bureaux (logistics and travel costs of entitled participants), which are to be convened twice and once in the period, respectively.

41. The proposed budget also includes the preparation and processing of official documentation as requested by decision 11/COP.1 and the other relevant COP decisions, as well as logistic arrangements and conference services to the meetings of the COP and its subsidiary bodies. The proposed budget for this programme also includes staff travel to attend relevant international meetings.

42. A reclassification of a P-2 to a P-3 post and an additional post at P-2 level are required to meet the increased demand for documentation and conference servicing by the newly established subsidiary body. The increased staffing will also limit outsourcing of technical secretariat services, as with other

conventions' secretariats, while improving the efficiency and continuity of the services rendered to official bodies of the Convention.

4. Legal advice

43. The secretariat will continue to provide the COP and its subsidiary bodies with such legal advice as may be required. Requirements for legal advice will also arise from arrangements deriving from the institutional linkage with the United Nations, drafting agreements with governments hosting official meetings, and procedures for the establishment of a compliance system (UNCCD articles 27 and 28).

44. Reclassification of the P-3 post to P-4 is required in order to meet the increased demand for legal advice by the newly established subsidiary body and the GoE.

5. Global issues

45. The secretariat has been entrusted with the development of strategic joint programmes with other conventions, the implementation of relevant provisions of the WSSD Plan of Implementation, and ensuring adequate financial support for the implementation of the Convention, in accordance with COP and GEF Assembly decisions.

46. The unit will liaise with, and ensure its participation at relevant meeting organized by, the sister conventions' secretariats, including through the meetings of the Joint Liaison Group (JLG); it will also provide support to Parties for better integrating desertification, biodiversity and climate change issues into their national policy-making processes, and will prepare any reports that the COP may request on the above-mentioned issues.

C. Facilitation of implementation and coordination

Table 12. Resource requirements for facilitation of implementation and coordination
(Thousands of US dollars)

Object of expenditure	Total			Total
	2002-2003	2004	2005	2004-2005
Staff-related costs	3,379.7	2,339.1	2,662.9	5,002.0
Consultants and experts	0.0	24.0	26.0	50.0
Official staff travel	506.8	245.4	255.6	501.0
Total resource requirements	3,886.5	2,608.5	2,944.5	5,553.0

Table 13. Staffing requirements for facilitation
of implementation and coordination

	2003	2004	2005
A. Professional category and above			
D-1	1	1	1
P-5	5	5	5
P-4	5	5	5
P-3	3	4	5
P-2	0	1	1
Subtotal A	14	16	17
B. General Service category	4	6	6
Total (A + B)	18	22	23

47. In the light of the establishment of the CRIC, the secretariat will strengthen its services to the focal points with information and advice on Convention-related processes. An important emphasis will be on assessment and monitoring, integrating planning frameworks, and fostering partnership arrangements at national level at the request of the affected Parties. These activities will be developed in cooperation with the GM, the United Nations Development Programme (UNDP), and other agencies and institutions. The facilitation of Parties' initiatives requires considerable strengthening of the ongoing cooperation among the international organizations and agencies supporting the Convention, including strengthening the services of the secretariat.

48. The requests for two P-3 and one P-2 posts as well as two support posts are proposed for establishment during the biennium 2004-2005 as shown in table 13. The three new professional posts requested will be deployed in the Africa, Latin America and the Caribbean, and Europe subprogrammes. One general service post is proposed to be deployed in the office of the principle coordinator and will be responsible for the IMIS logistics support in the facilitation unit, and one will provide secretarial support to the Europe subprogramme. In the light of the objectives and schedules contained in the Declaration on the commitments to enhance the implementation of the obligations of the Convention (decision 8/COP.4), the programmes are planning to support national processes and therefore to assist the UNCCD national focal points upon request.

49. In addition to the staff costs outlined in table 13 above, annual core budget resource requirements for 2004-2005 to carry out the programme activities described under this heading are provided in table 12 above. Travel and consultancies will also be for substantive support to affected Parties requesting assistance in the integration of their national action programmes (NAPs) into national development strategies, and in the organization of consultative forums for national reports and consultancies for preparing the national reports. Additional support to facilitate these activities is included under the Supplementary Fund.

D. External relations and public information

Table 14. Resource requirements for external relations
and public information
(Thousands of US dollars)

Object of expenditure	Total			Total
	2002-2003	2004	2005	2004-2005
Staff-related costs	950.0	656.5	685.6	1,342.1
Consultants and experts	60.0	31.0	32.0	63.0
Official staff travel	120.0	68.0	72.0	140.0
Publications	0.0	90.0	93.0	183.0
Total resource requirements	1,130.0	845.5	882.6	1,728.1

Table 15. Staffing requirements for external relations
and public information

	2003	2004	2005
A. Professional category and above			
P-5	1.0	1.0	1.0
P-3	1.0	1.0	1.0
P-2	3.0	3.0	3.0
Subtotal A	5.0	5.0	5.0
B. General Service category	2.0	2.5	2.5
Total (A + B)	7.0	7.5	7.5

50. For the biennium 2004-2005, the activities envisaged for the External Relations and Public Information Unit will continue to focus on three core areas: inter-agency coordination, cooperation with non-governmental organizations, and public awareness. In this regard, the secretariat will continue to work towards the enhancement of its Web site information service and the strengthening of its centralized library. One new GS post will be shared with EDM to aid in the implementation of IMIS.

51. Inter-agency coordination: The secretariat will strengthen the relationships with other partner secretariats and a wide range of multilateral and bilateral partners in order to implement the decisions taken at the latest international forums on development, such as the Third United Nations Conference on the Least Developed Countries, the International Conference on Financing for Development, the WSSD and the Second Assembly of the GEF, for timely and effective implementation of the UNCCD.

52. Accordingly, the secretariat intends further to develop and institutionalize its consultations with key partner agencies to secure the required level of coordination and follow-up on selected joint programmes of work, in order to integrate the UNCCD agenda into the respective work programmes of the partner organizations.

53. Cooperation with non-governmental organizations (NGOs): The participation of civil society in general, and NGOs in particular, is a statutory requirement of the UNCCD process. Considering that more than 650 NGOs are accredited and actively engaged in the UNCCD process, the programme will continue facilitating the effective involvement of the NGOs in the UNCCD process and their substantive participation in the COP, the CRIC sessions and other UNCCD-related events. Furthermore, the programme will maintain a constant and updated flow of information on the UNCCD implementation process to all accredited NGOs.

54. Public awareness: In the forthcoming biennium the secretariat will continue to facilitate communication with and among Parties in combating desertification. In order to do so it intends to develop its information strategy further, to strengthen its outreach capability and to provide support in the dissemination of information to affected country Parties upon request.

55. In the forthcoming biennium, the secretariat intends to focus on the dissemination of information to new interest groups. It will engage in the collection and dissemination in different languages of success stories in collaboration with governments, NGOs, and international organizations, for use as a resource book. Interrelations among desertification, biodiversity and climate change, as well as food security and poverty, will come into sharper focus. Specific media outreach tools with quantitative and qualitative data would continue to be produced and updated. Furthermore, additional copies of the UNCCD information kits in all the official languages will be reprinted.

56. Information and library services: The size and complexity of the secretariat's local area network is constantly increasing. In the forthcoming biennium, the secretariat will aim to strengthen the library in order to make it function as a knowledge gateway where staff, researchers, scholars, country Parties and the public at large would be able to access the most relevant UNCCD information materials.

E. Administration and finance

Table 16. Resource requirements for administration and finance
(Thousands of US dollars)

Object of expenditure	Total			Total
	2002-2003	2004	2005	2004-2005
Staff-related costs	220.0	382.5	436.0	818.5
Other staff-related costs*	0.0	82.5	90.0	172.5
Training	70.0	42.0	52.0	94.0
Consultants and experts	90.0	46.0	47.0	93.0
Official staff travel	100.0	80.0	82.0	162.0
Contractual services	140.0	103.0	106.0	209.0
General operating expenses	646.0	333.0	343.0	676.0
Supplies and materials	100.0	55.0	57.0	112.0
Equipment and furniture	180.0	120.0	125.0	245.0
Contributions to joint services	340.0	250.0	258.0	508.0
Total resource requirements	1,886.0	1,494.0	1,596.0	3,090.0

* Includes cost of insurance cover for secretariat personnel in the event of death, injury or illness attributable to the performance of official duties on behalf of the secretariat, as required by appendix D of the United Nations Staff Rules. Resource requirements proposed are to cover only half of staff costs, and it is anticipated that returns from 13 per cent programme support income will be adequate to cover the balance of total resource requirements.

Table 17. Staffing requirements for administration and finance

	2003	2004	2005
A. Professional category and above			
P-5		1	1
P-4		1	1
P-3		0	1
Subtotal A		2	3
B. General Service category		3	3
Total (A + B)		5	6

57. This programme assists the Executive Secretary in the planning, coordination and management of both human and financial resources, in support of the work programme of the COP and its subsidiary bodies. The objective of this programme is to provide adequate, reliable and timely back-up services with a view to facilitating the work of the secretariat.

58. The 2000-2001 audit report as presented in ICCD/COP(6)/2/Add.5 indicates good management of the financial and administrative affairs of the secretariat. With the implementation of IMIS in Bonn

(paragraphs 63-65), the secretariat has taken over almost all the functions previously done by UNOG. The secretariat aims to maintain UNOG's high standards and to continue improving the efficiency and timeliness of the services rendered. The secretariat will continue to be supported by the United Nations Secretariat in New York and UNOG in treasury-related functions.

59. Over the last 4.5 years the responsibilities of the programme have increased substantially, due mainly to increased demand for its services and to its location away from UNOG, which requires a strengthening of the human resources capacity of the administrative and financial programme to handle its increased responsibilities. To prepare for a full delegation of authority on human resources issues, UNOG and the United Nations Secretariat in New York have recommended the establishment of a P-3 post, to be responsible for the secretariat's human resources issues that are currently handled by UNOG. The secretariat aims to ensure that all the required internal controls, policies and guidelines are developed to ensure consistency and accountability in managing its finances and human resources.

60. IMIS has been implemented at the secretariat in coordination with the UNFCCC, including the related equipment acquisition and training. The secretariat is continuing such efforts aimed at producing better services, reduced costs and increased efficiency. Under the guidance of the COP, the Executive Secretary will pursue consultations with the UNFCCC and UNOG on modalities for administration and for effecting an equitable distribution of the proceeds from the 13 per cent programme support charge paid to the United Nations Secretariat in New York on all expenditures of Convention Trust Funds.

61. In addition to the staffing resource requirements which have been centrally provided under this unit, other resource requirements include:

(a) General temporary assistance for UNCCD peak workload periods and replacement of staff on sick or maternity leave, provision of a minimum level of training and staff development, provision for reimbursement of income tax to staff members who may be subject to national taxation on their UNCCD emoluments, and staff insurance coverage required by the United Nations Staff Rules, Appendix D;

(b) Travel of staff to United Nations Headquarters and offices for meetings, consultations and advice relating to administrative and financial matters, conference support (DSA payments and related) and periodic consultancies which may be required for specialized services not available in-house;

(c) General operating expenses for rent and maintenance, furniture, equipment and vehicle replacement, communications costs, rental and maintenance of liaison facilities, Internet subscription and software licences, contributions towards the secretariat's share of joint services in Haus Carstanjen and/or the proposed United Nations Campus, and auditing services from the United Nations. The secretariat is occupying more space in Haus Carstanjen, and actual costs, primarily for utilities, have increased. Also, higher costs are expected at the proposed United Nations Campus facilities.

Impact of the implementation of the United Nations Integrated Management Information System (IMIS) on the Convention's operations support

62. With IMIS implementation in Bonn, all the operations previously performed by UNOG, except treasury functions, have been transferred to the UNCCD. This requires a review of the current levels of human resources within administration and finance, which require changes in order to handle the increased levels of responsibility. These changes will require the expertise of at least one P-3 human resources officer for effective implementation. The secretariat lacks this capacity, and a renegotiation of the distribution of the overhead income, as discussed in paragraph 59, is required with UNOG in order to procure the services of staff qualified in this field.

63. With the introduction of IMIS at the UNCCD, administrative and financial operations responsibilities have increased tremendously. Since IMIS is a very complex system, UNOG has recommended the establishment of a help-desk position within the secretariat to support users. To discharge services effectively in a timely and reliable manner, the secretariat needs to recruit personnel with the relevant technical expertise in the areas of budgeting, accounting, information technology, procurement, human resources and finance. There is, therefore, a need to reorganize the current structure to ensure that all such support services are grouped together.

64. Since the additional functions and responsibilities were originally performed by the United Nations Secretariat, any incremental costs associated with the IMIS implications should be financed through the United Nations overhead income. The Executive Secretary will therefore undertake further negotiations to obtain an increased portion of the income from overhead.

F. Global Mechanism

Table 18. Resource requirements for the Global Mechanism
(Thousands of US dollars)

Object of expenditure	Total 2002-2003	2004	2005	Total 2004-2005
Staff costs	2,893.0	2,229.0	2,340.0	4,569.0
Consultants and experts	47.3	75.0	78.0	153.0
Official staff travel	321.8	325.0	375.0	700.0
Office equipment	174.0	125.0	130.0	255.0
Hospitality	8.0	5.5	6.0	11.5
General operating expenses	64.0	111.0	120.5	231.5
Grants and contributions	0.0	0.0	0.0	0.0
Contingency	16.6	100.0	103.0	203.0
Total required amount	3,524.7	2,970.5	3,152.5	6,123.0

65. The budgets requested by the GM for the years 2004 and 2005 are US\$ 2,918,500 and US\$ 3,105,500 respectively. The enclosed tables show how these funds are allocated between expenditure categories. In percentage terms, approximately 85 per cent of the proposed budgets is directly related to staff, direct costs and travel. The remaining 15 per cent is divided between different operating expenses such as equipment hiring and supplies, and consultants and experts. The amounts included for contingency are primarily intended to cover exchange rate fluctuations and inflation costs. The budget that the GM is requesting is therefore almost exclusively related to core expenses. The catalytic resources that the GM requires in order to fulfil its mandate are covered through income received as voluntary contributions.

66. The GM has developed a Business Plan (BP) for the period 2003-2005 in cooperation with its Facilitation Committee members. The resources requested in this budget with regard to core costs, as explained above, are based on the objectives and output defined in the Business Plan. It is thus foreseen that even with all the resources available as proposed in this budget, the GM will have to mobilize additional voluntary resources to be able to fulfil its mandate.

67. The BP is a living document which will be revised on an annual basis taking account of experience and any possible new conditions for its fulfilment that will materialize during the course of its implementation. However, it provides the basis for the budget request, which is also based on GM experience over the past several years.

68. In line with the strategic priorities for 2003-2005, the BP identifies a number of activities and deliverables, which can be grouped under five main activity clusters. For each one, the results sought by 2005 are summarized below.

69. Activity cluster 1: *Mobilizing and providing catalytic resources for NAPs/SRAPs/RAPs development and establishing Country Partnership Frameworks (CPFs)*. The main results expected from this action area are:

(a) Enlarged group of bilateral and multilateral donors contributing to the voluntary catalytic resources of the GM, and amount of contributions increased to US\$ 5-10 million/year;

(b) Support provided to governments in completing NAPs and subregional action programmes (SRAPs) and multilateral and bilateral organizations mobilized to include support for action plans in country negotiations. Twenty to 25 CPFs established in all regions;

(c) Adequate levels of domestic resources allocated by developing country Parties governments for implementation of their NAPs;

(d) Collaboration and cooperation in support of action programme development and implementation further developed and expanded with regional organizations such as Southern African Development Community (SADC), Intergovernmental Authority on Development (IGAD), Permanent Interstate Committee for Drought Control in the Sahel (CILSS), Economic Community of West African States (ECOWAS), Caribbean Community (CARICOM), Arab Maghreb Union (AMU).

70. Activity cluster 2: *Broadening the funding base for UNCCD implementation.* The main results expected from this action area are:

- (a) Increased share of desertification-related bilateral Official Development Assistance (ODA) from the current 4.4 per cent to 5.6 per cent as measured in the Financial Information Engine on Land Degradation (FIELD) of the GM;
- (b) Share of desertification-related multilateral ODA maintained, and at least 80 per cent of GEF funds under the new land degradation window allocated to UNCCD action programmes;
- (c) New and additional resources mobilized from: carbon funds (US\$ 25 million/year by 2005), environmental services, private sector (micro-finance), foundations, debt relief initiatives;
- (d) Funding opportunities within decentralized cooperation frameworks identified and pursued.

71. Activity cluster 3: *Support to enabling activities.* The main results expected from this action area are:

- (a) Increased amount of funding resources directed to NGOs and community-based organizations in support of the UNCCD, and at least five financial partnerships established with interested donors;
- (b) Capacity of developing countries to mobilize resources strengthened;
- (c) Africa Land and Water Initiative operational in all subregions of Africa, with support mobilized from GEF and through subregional organizations.

72. Activity cluster 4: *Advocacy activities and communications strategy.* The main results expected from this action area are:

- (a) Cost and benefits of investing in UNCCD implementation documented on the basis of case studies, and disseminated through publications and seminars involving the donor community;
- (b) Communications material on GM activities and achievements produced and/or updated and monitoring system in place to measure the GM “multiplier effect” over time;
- (c) Information on biophysical, socio-economic, financial and technical indicators related to desertification disseminated through the Land Degradation Assessment for Drylands (LADA) and other projects.

73. Activity cluster 5: *Collecting, analysis and dissemination of relevant information on financing opportunities and related best practices.* The main results expected from this action area are:

(a) Coverage of the FIELD system expanded with more information on relevant sources of funding, projects and programmes, as well as on financial needs of affected developing country Parties for implementing their action programmes;

(b) FIELD inventories kept up to date, including through the use of technologies and procedures facilitating data exchange, and regularly published on the Internet and on CD-ROM;

(c) Available financial information analysed and monitored over time in order to detect funding patterns and trends, inform the policy dialogue and support GM/UNCCD resource mobilization efforts.

74. The proposed core budget for GM for the 2004-2005 biennium is estimated at US\$ 6,123,000. This budget level is in line with the initial budget estimates made by IFAD in its offer to house the GM that was submitted to COP 1 (ICCD/COP(1)/5). The budget request for the biennium 2004-2005 represents an increase of 74 per cent on the previous biennium. The breakdown of this increase reflects: (a) 22 per cent - the IFAD standards of salary progressions for existing GM staff including the budgeted costs of the four professional posts approved at COP 5 (ICCD/COP(5)/11/Add.1); (b) 32 per cent - administrative expenses required for GM staff to discharge their functions in response to an ever-increasing demand for GM services; and (c) 20 per cent - the minimum additional professional work force to secure adequate GM response capacity in relation to the 2003-2005 Business Plan and related activities. In particular, the proposed staffing and budget increase will allow the GM to broaden the funding base for UNCCD implementation, including developing new and additional funding opportunities. Thus, the requested budget increase will enable the GM to recruit one Programme Manager and one Associate Programme Manager, who will be principally assigned to mobilizing new and additional resources. In addition, the GM is also proposing the recruitment of one Associate Programme Manager for Africa in order to secure proper services to developing country Parties in relation to the preparation and mobilization of resources primarily for NAPs and SRAPs.

G. Programme support costs

1. Overhead

75. In accordance with United Nations financial rules, UNCCD accounts are subject to a 13 per cent programme support charge on all actual expenditures incurred, except where a waiver has been granted by the UN Controller. This amount is payable to the United Nations for the administrative services provided to the secretariat. A portion of this amount is returned to the secretariat to cover some of its own operating expenses incurred for the administration and finance programme.

76. On the basis of an expenditure level for the core budget of US\$ 11,034,900 in 2004 and US\$ 11,649,300 in 2005, the programme support charge is estimated at US\$ 1,434,500 and US\$ 1,514,400, respectively.

2. Working capital reserve

77. COP 5 determined that the working capital reserve maintained within the General Fund should be set at a level of 8.3 per cent of the approved core budget, including overhead charges (decision 4/COP.5). The anticipated working capital reserve at the end of 2003 will be US\$ 665,200; additional amounts of US\$ 369,800 and US\$ 57,600 will be required in 2004 and 2005, respectively.

H. Host country Government's contribution to the core budget

78. In accordance with the terms of the offer from the Government of Germany, the German Government will contribute Euros 511,292 each year to the secretariat beyond its commitment as a Party. This results in an offset of some US\$ 511,292 for each year of the biennium.

VI. CONTINGENCY

Table 19. Estimates for contingency for conference services
(in the event that the General Assembly decides not to include the sessions of the
Conference of the Parties and its subsidiary bodies in its regular budget)
(Thousands of US dollars)

Object of expenditure	2002-2003	2004	2005	Total 2004-2005
Conference services	2,264.0	1,600.0	2,332.0	3,932.0
Overhead	125.0	82.0	129.0	211.0
Total resource requirements	2,389.0	1,682.0	2,461.0	4,143.0

79. If the General Assembly decides not to include the sessions of the COP and its subsidiary bodies in its regular budget calendar of meetings, the Parties would have to assume the additional costs relating to conference services.

80. It is assumed that CRIC 3 will meet for two consecutive weeks in 2004. Provision will be required for two weeks of meeting services, allowing for one meeting at any time during those two weeks (that is, ten meetings per week, or twenty meetings over the two-week period) and the translation, processing and distribution of an estimated 800 pages of pre-session, 100 pages of in-session and 50 pages of post-session documentation. The full cost of these requirements is estimated at US\$ 1,682,000.

81. It is assumed that COP 7 and the CST will meet for a total of two consecutive weeks in 2005. The allocation of meetings during this period between the COP and the CST will need to be decided at a later stage in the light of the programme of work of each organ. Provision will be required for two

weeks of meeting services, allowing for two simultaneous meetings at any time during those two weeks (that is, twenty meetings per week, or forty meetings over the two-week period) and the translation, processing and distribution of an estimated 2000 pages of pre-session, 150 pages of in-session and 100 pages of post-session documentation. The full cost of these requirements is estimated at US\$ 2,461,000.

82. In the event that the seventh session of the COP would be held in Bonn, an additional amount of US\$ 919,600 would be required to cover costs relating to logistical arrangements, including renting of the conference venue, installation of communication systems and contracting of local conference staff. The financial requirements for the third session of the CRIC are estimated at US\$ 250,000, as already indicated in table 8.

Table 20. Operating costs of holding the seventh session of the COP in Bonn
(Thousands of US dollars)

Object of expenditure	Actual expenditures for COP 4 2000	Estimate for COP 7 2005
Logistic costs	671.7	740.0
Contingencies	67.2	74.0
Subtotal	738.9	814.0
Overhead	96.1	105.6
Total resource requirements	835.0	919.6

Table 21. Special Fund estimated resource requirements
(Thousands of US dollars)

Object of expenditure	Total 2002-2003	2004	2005 ¹	Total 2004 - 2005
Travel of representatives and participants in meetings	1,100.0	790.0	1,167.0	1,957.0
Overhead	143.0	92.7	152.0	244.7
Total resource requirements	1,243.0	882.7	1,319.0	2,201.7

¹ This estimate is for CRIC 3 and COP 7 only; should any other meeting be planned for 2004 and/or 2005, this estimate has to be revised accordingly.

83. Table 21 shows the estimated resources needed for the Special Fund in the biennium. The details of the estimates are given in document ICCD/COP(6)/2/Add.2.

VII. CONCLUSIONS

84. As a result of its deliberations, the COP at its sixth session may wish:

(a) To consider a budget with the following elements:

- (i) A total programme budget of US\$ 25,037,900 for the biennium 2004-2005, for the purposes listed in table 2 herein (not including the contingency items);
- (ii) A staffing table with 12 new posts and upgrading of five posts for the secretariat, and six new posts for the GM, as shown in tables 4 and 5 respectively;

(b) To consider that approved levels of resources are to be included in the programme budget on a contingency basis for the following activities: conference servicing and related logistics costs of meetings of the Convention bodies, should the General Assembly not provide for this in the regular budget of the United Nations for the biennium 2004-2005 and/or should the meeting take place in Bonn;

(c) To take note of the funding estimate for the Trust Fund for Supplementary Activities and the Special Fund for Participation;

(d) To authorize the secretariat to apply the scale of assessment to be adopted at the 58th session of the United Nations General Assembly;

(e) To review and advise the secretariat how to proceed in the event that the General Assembly does not approve the funding of the conference servicing costs recommended in the budget for 2004-2005;

(f) To consider the need to review the old outstanding balances of contributions due, and to advise the secretariat as to how long to maintain such amounts before they should be written off.

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