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**PROGRAMME AND BUDGET**

**Report on the performance of the Convention's trust funds for the  
biennium 2002-2003 as at 31 May 2003**

Note by the secretariat<sup>\*</sup>

Addendum

**SUMMARY**

This document reports on the performance of all the trust funds of the Convention. Actual expenditures are reported for the biennium as at 31 May 2003 and a projection for the remaining seven months is provided in order to arrive at the expected total for the entire biennium (performance report of the Global Mechanism is provided as at 31 March 2003). It should be pointed out that, assuming the current exchange rate of the dollar to the Euro is maintained up to the end of the year 2003, the projected expenditures will exceed the approved budget. However, in this report the anticipated expenditure level has been limited to the level of the approved budget.

This performance report presents the results achieved by each programme and the associated resources utilized.

While reviewing the performance report for the 2002-2003 biennium, the secretariat would wish to bring the following to the attention of the Parties:

(a) Expenses of the secretariat are, except those relating to the direct salaries of the staff in the professional category, budgeted for in US dollars while the actual expenditures are incurred in Euros;

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\* The submission of this document has been delayed in order to provide the Conference of the Parties with the most up-to-date information on the performance of the Convention's trust funds.

(b) Out of the total approved budget of US\$ 15,325,200, US\$ 6,691,000 (44 per cent) is to be used on staff-related costs, of which 40 per cent (US\$ 2,676,400) is spent on common staff costs such as post adjustments, medical coverage, and education grants. Payment of expenses relating to common staff costs is effected in Euro currency;

(c) Due to the depreciation of the US dollar against the Euro, anticipated actual expenses required to maintain the current structure of the secretariat are expected to exceed the approved budget. However, as shown in table 1, the secretariat has recorded savings from interest income to the amount of US\$ 396,460. In addition to this an amount of US\$ 557,927 is still outstanding from the contributions of 1999-2001. Should the outstanding contributions be collected in the current biennium, the level of savings from prior years would increase accordingly.

(d) The Conference of the Parties (COP) may wish to grant approval to the secretariat to utilize the anticipated savings mentioned above to offset any eventual over-expenditure as a result of the decline of the value of the dollar.

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## I. BACKGROUND INFORMATION

1. By its decision 4/COP.5, the COP requested the Executive Secretary to report to the COP at its sixth session on the status of the trust funds established under the financial rules of the COP, and invited Parties to submit, by 31 July 2002, proposals and suggestions to assist the secretariat in the preparation of this report. No submissions were received by the deadline, and consequently the reporting format follows that used in reporting at the fourth and the fifth sessions of the COP.

### A. Mandate

2. Rule 10(d) of the Rules of Procedure of the COP (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.

### B. Scope of the report

3. The present document reports on actual income and expenditure for the biennium as at 31 May 2003, and on estimated expenditure to 31 December 2003. In addition to the performance level, the present report gives information on programme implementation and the results achieved.

4. The document is organized as follows:

(a) Section II contains information on budget performance for the year 2002-2003 for the four trust funds administered by the secretariat, namely, the General Trust Fund for the Core Budget (General Fund), the Trust Fund for Supplementary Activities of UNCCD (Supplementary Fund), the Trust Fund for the Supplementary Contribution to Convention Activities by the Host Government (Bonn Fund), and the Special Trust Fund for Participation in the sessions of the COP and its subsidiary bodies (Special Fund);

(b) Section III provides information on management of human resources;

(c) Section IV presents the status of the working capital reserve;

(d) Section V gives information on the administrative arrangements;

(e) Section VI concludes this performance report.

5. This document should be read in conjunction with the 2002-2003 performance report for the Supplementary Fund (ICCD/COP(6)/2/Add.4).

## II. BUDGET PERFORMANCE REPORT

### A. Trust Funds for the Core Budget and Supplementary Activities

#### 1. *Report on income*

6. The status of contributions to the General and Supplementary Funds is summarized in table 1.

Table 1. Summary of income in 2002-2003 as at 31 May 2003  
(United States dollars)

Source	Approved budget and unpaid balance from prior years	Core budget received contributions as at 31 May 2003	%	Supplementary Fund contributions as at 31 May 2003
Balance of the General Fund brought forward <sup>1</sup>	1,395,422	837,495	60.0	
Assessed contributions from Parties	15,325,200	12,183,058	79.5	
Special contribution from Germany (Euros 1,022,584)	909,000	984,953	108.3	
Balance of Supplementary Fund brought forward				3,698,037
Voluntary contributions to the Supplementary Fund				3,431,013
<b>Subtotal</b>	<b>17,629,622</b>	<b>14,005,506</b>	<b>79.4</b>	<b>7,129,050</b>
Prior year savings on obligations and interest income <sup>2</sup>		396,460		593,498
<b>Total</b>	<b>17,629,622</b>	<b>14,401,966</b>		<b>7,722,548</b>

<sup>1</sup> This balance includes working capital reserve brought forward from 2000-2001.

<sup>2</sup> The interest income is made up of US\$ 27,622 for 1999, US\$ 245,347 for 2000-2001 and US\$ 123,491 for 2002-2003.

7. As at 31 May 2003, 61 Parties had paid their contributions. Received contributions represent 79.5 per cent of the approved budget. 126 Parties had not paid their assessed contributions amounting to US\$ 3,700,069. The Executive Secretary has sent out reminder letters inviting all Parties who have not yet paid their contributions in full to do so without further delay. Contributions to the General Fund, the Supplementary Fund and the Special Fund as at 20 August 2003 will be reported in ICCD/COP(6)/2/Add.7.

8. In addition to the approved assessed contributions from Parties, a special contribution of US\$ 984,953 has been received from the host Government. This contribution is taken into account in table 1.

#### 2. *Report on expenditures*

9. Tables 2 and 3 summarize actual expenditure under the General and Supplementary trust funds as at 31 May 2003 and total estimated expenditure for the year 2003, broken down by programme and object of expenditure.

Table 2. Summary of expenditures in 2002-2003 by programme  
(United States dollars)

Programme	Approved 2002-2003 budget	Actual expenditure as at 31 May 2003	Estimated expenditure to 31 Dec. 2003	Total estimated expenditure as at 31 Dec. 2003	%	Supplementary Fund as at 31 May 2003
Executive direction and management	1,550,000	1,168,200	381,800	1,550,000	100.0	
Substantive support to the COP and its subsidiary bodies, and global issues	2,289,600	1,646,400	622,200	2,268,600	99.0	1,544,046
Facilitation of implementation and coordination	3,886,500	2,935,700	950,800	3,886,500	100.0	3,538,716
External relations and public information	1,130,000	889,600	240,400	1,130,000	100.0	587,576
Administration and finance	1,886,000	1,266,800	619,200	1,886,000	100.0	0
Global Mechanism	3,524,600	1,550,000	1,974,600	3,524,600	100.0	0
<b>Subtotal</b>	<b>14,266,700</b>	<b>9,456,700</b>	<b>4,789,000</b>	<b>14,245,700</b>	<b>99.8</b>	<b>5,670,338</b>
Programme support costs*	1,854,700	1,229,400	622,500	1,851,900		737,144
<b>Total</b>	<b>16,121,400</b>	<b>10,686,100</b>	<b>5,411,500</b>	<b>16,097,600</b>	<b>99.8</b>	<b>6,407,482</b>
Capital reserve	112,800	100,302		100,302		346,317
Less: Contribution from the host Government	909,000	984,953		984,953		-
<b>Grand total</b>	<b>15,325,200</b>	<b>9,801,449</b>	<b>5,411,500</b>	<b>15,212,949</b>	<b>99.3</b>	<b>6,753,799</b>

\* In accordance with the United Nations guidelines ST/SGB/188, paragraph 47, a 13 per cent programme support factor has been applied to expenditures on all the trust funds except where exemptions have been authorized by the United Nations Controller.

Table 3. Summary of expenditures in 2002-2003 by object of expenditure  
(United States dollars)

Object of expenditure	Approved 2002-2003 budget	Actual expenditure as at 31 May 2003	Estimated expenditure to 31 Dec. 2003	Total estimated expenditure as at 31 Dec. 2003	%	Supplementary Fund as at 31 May 2003
Staff costs	6,844,700	4,868,000	1,976,700	6,844,700	100.0	655,000
Consultants and experts	525,000	451,700	73,300	525,000	100.0	920,883
Travel of participants and representatives	328,000	214,600	113,400	328,000	100.0	1,252,201
Staff travel	1,387,400	1,212,400	175,000	1,387,400	100.0	431,064
Contractual services	351,000	295,000	35,000	330,000	94.0	376,632
General operating expenses	646,000	343,500	302,500	646,000	100.0	0
Hospitality	40,000	2,500	37,500	40,000	100.0	0
Supplies and materials	100,000	56,900	43,100	100,000	100.0	0
Equipment and furniture	180,000	142,100	37,900	180,000	100.0	0
Contribution to joint services	340,000	320,000	20,000	340,000	100.0	0
Grants and contributions (GM)	3,524,600	1,550,000	1,974,600	3,524,600	100.0	2,034,558
<b>Subtotal</b>	<b>14,266,700</b>	<b>9,456,700</b>	<b>4,789,000</b>	<b>14,245,700</b>	<b>99.8</b>	<b>5,670,338</b>
Programme support costs	1,854,700	1,229,400	622,500	1,851,900		737,144
<b>Total</b>	<b>16,121,400</b>	<b>10,686,100</b>	<b>5,411,500</b>	<b>16,097,600</b>	<b>99.8</b>	<b>6,407,482</b>
Capital reserve*	112,800	100,302		100,302		346,317
Less: Contribution from the host Government	909,000	984,953		984,953		
<b>Grand total</b>	<b>15,325,200</b>	<b>9,801,449</b>	<b>5,411,500</b>	<b>15,212,949</b>	<b>99.3</b>	<b>6,753,799</b>

\* At its fifth session, the COP reaffirmed that the working capital reserve maintained within the General Fund shall be

set at a level of 8.3 per cent of core budget expenditure, including overhead charges. It is anticipated that at the end of the year 2003 the working capital reserve will be US\$ 734,912, including US\$ 553,679 balance brought forward from 2002. Under the Supplementary Fund, the operating reserve balance brought forward from 2002 amounts to US\$ 614,805.

### 3. Executive Direction and Management

Table 4. Expenditures in 2002-2003 for the Executive Direction and Management  
(United States dollars)

Object of expenditure	Approved 2002-2003 budget	Actual expenditure as at 31 May 2003	Estimated expenditure to 31 Dec. 2003	Total estimated expenditure as at 31 Dec. 2003	%	Supplementary Fund
Staff costs (1 ASG, 1 D-1, 1 P-4, 2 GS)	875,000	617,900	257,100	875,000	100.0	0
Staff travel	460,000	376,400	83,600	460,000	100.0	0
Hospitality	40,000	2,500	37,500	40,000	100.0	0
Consultants and experts	175,000	171,400	3,600	175,000	100.0	0
<b>Total</b>	<b>1,550,000</b>	<b>1,168,200</b>	<b>381,800</b>	<b>1,550,000</b>	<b>100.0</b>	<b>0</b>

10. The Executive Direction and Management (EDM) provides policy guidance and advice to the bodies of the Convention on the basis of COP decisions, and coordinates and manages the activities of the secretariat. In external relations, high priority is given to awareness-raising and advocacy for desertification issues, in particular with regard to the linkage between the combat against desertification and eradication of poverty, as well as advancing implementation of the completed action programmes. Developing closer cooperation and synergies with the activities of other conventions, United Nations bodies and international, governmental and non-governmental organizations is also given priority. Savings from the vacant post of the Deputy Executive Secretary were redeployed to cover the cost of temporary advisory services to the Executive Secretary pending recruitment for the position of Deputy Executive Secretary.

11. The results of the activities of the EDM include the following:

(a) The COP and its subsidiary bodies provide timely and focused consideration and responses to the needs of Parties in implementing the Convention;

(b) By the end of 2003, almost all the countries of the world will have become Parties to the Convention, making it one of the most broad-based international legal instruments;

(c) The international community recognizes the close interrelationship between poverty eradication and the combat against desertification, and the potential of the Convention in this context. Of particular importance in this regard is the outcome of the World Summit on Sustainable Development (WSSD). Ten years after the United Nations Conference on Environment and Development (UNCED), the WSSD addressed the crucial problem of the availability of predictable and substantial financial resources needed to effectively implement the Convention by calling on the Global Environment Facility (GEF) Assembly to offer the Facility as a financial mechanism of the UNCCD. The Summit also labelled the Convention as one of the tools to eradicate poverty and reaffirmed the strong commitment of the international community to the implementation of the Convention;



(d) The Parties to the Convention and related international and regional organizations and agencies seek to strengthen their efforts to support implementation of the UNCCD, as reflected in the enhanced role of combating desertification in cooperation policies and programmes;

(e) Cooperation with other conventions is strengthened, in particular with the Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC) and the Ramsar Convention on Wetlands;

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

Table 5. Expenditures in 2002-2003 for substantive support to the COP and its subsidiary bodies, and global issues  
(United States dollars)

Object of expenditure	Approved 2000-2003 budget	Actual expenditure as at 31 May 2003	Estimated expenditure to 31 Dec. 2003	Total estimated expenditure as at 31 Dec. 2003	%	Supplementary Fund as at 31 May 2003
Staff costs (2 P-5, 1 P-3, 1 P-2, 1 GS)	910,000	702,800	207,200	910,000	100.0	143,500
Consultants and experts	120,000	101,000	19,000	120,000	100.0	95,531
Travel of participants and representatives	0	0	0	0	0	443,699
Staff travel	120,000	100,000	20,000	120,000	100.0	339,939
Contractual services	211,000	185,000	5,000	190,000	90.0	286,423
Operation costs	0	0	0	0	0.0	0
Grants and contributions	0	0	0	0	0.0	144,682
<b>Total</b>	<b>1,361,000</b>	<b>1,088,800</b>	<b>251,200</b>	<b>1,340,000</b>	<b>98.5</b>	<b>1,453,774</b>

12. Following decisions 1/COP.5 and 2/COP.5, the first session of the Committee for the Review of the Implementation of the Convention (CRIC) was held from 11 to 22 November 2002 in Rome, Italy, attended by 420 participants, 149 country Parties, six country observers, and 11 United Nations organizations and specialized agencies. Thirty-five documents were released with a total of 1,358 pages, including a comprehensive report to the COP including conclusions and recommendations, as prescribed by decision 1/COP.5. The secretariat further facilitated the organization of thematic review, geographic review (regional wrap-up sessions) as well as a global interactive dialogue.

13. The presentation of specific case studies grouped along thematic topics, as decided by decision 1/COP.5, assisted the CRIC in its review and deliberations. The secretariat was supporting this process and provided advice to country Parties as well as technical input to the presentations made.

14. The sixth session of the Conference of the Parties (COP 6) will be held in Havana, Cuba, from 25 August to 5 September 2003. Delegations from Parties and observers, as well as numerous United Nations organizations, intergovernmental and non-governmental organizations, are expected to participate. This Conference will consider several matters crucial for implementation of the UNCCD, such as the Convention's review process and recent developments pertaining to the financing of the combat against desertification through the GEF. A two-day high level segment will

convene from 1 to 2 September, and the second session of the CRIC will be held from 26 to 29 August 2003.

15. Approximately forty pre-session documents, and additional in- and post-session documents, will be prepared for the Conference and its subsidiary bodies.

16. Furthermore, two major parallel events will be organized during the Conference, namely the Fifth Round Table of Members of Parliament which will gather approximately 40 members of Parliament from all over the world, and the Forum on Arts and Culture.

17. With regard to the substantive support to the Convention process, steps have been taken to provide for an enhanced organizational and conceptual framework using the synergistic approach in implementation of the Convention. Furthermore, the programme has contributed to the preparatory activities for the WSSD.

Table 6. Expenditures in 2002-2003 for substantive support to the CST and related activities  
(United States dollars)

Object of expenditure	Approved 2000-2003 budget	Actual expenditure as at 31 May 2003	Estimated expenditure to 31 Dec. 2003	Total estimated expenditure as at 31 Dec. 2003	%	Supplementary Fund as at 31 May 2003
Staff costs (1 P-5, 1 P-4)	440,000	206,200	233,800	440,000	100.0	0
Consultants and experts	80,000	60,300	19,700	80,000	100.0	6,000
Travel of participants and representatives	328,000	214,600	113,400	328,000	100.0	7,692
Staff travel	80,600	76,500	4,100	80,600	100.0	4,780
Grants						71,800
<b>Total</b>	<b>928,600</b>	<b>557,600</b>	<b>371,000</b>	<b>928,600</b>	<b>100.0</b>	<b>90,272</b>

18. At its fifth session, the COP established a Group of Experts (GoE) to consider the efficiency and effectiveness of the CST. COP 5 also decided that the work of the GoE should be based on themes, activities and issues of relevance to the Convention and concentrate not only on collection of information (knowledge), but focus also on the following elements as defined in the Programme of Work of the GoE: the current state of knowledge, the extent and the scale of impact, opportunities for mitigation, and policy implications.

19. The central theme of the Programme of Work is land degradation and land use, with different sub-themes. So far, the GoE has met twice. The first meeting was to develop its work plan and identify its tasks, and develop its timetable for the forthcoming years. At its second meeting, the GoE reviewed in depth the results of the activities undertaken from November 2002 to May 2003.

20. With regard to the substantive focus areas of the CST, the secretariat has approached the Parties with a request for written contributions on the following topics: benchmarks and indicators, early warning systems, as well as land degradation, vulnerability and rehabilitation: an integrated approach.

21. In the field of traditional knowledge, the Memorandum of Understanding (MOU) signed in July 2002 between the Ministry of Environment of the Government of Italy and the UNCCD secretariat requested the secretariat to assist in the establishment of the Research Centre on Traditional Knowledge in Matera, Italy, with the main task of studying and documenting traditional and local knowledge and technologies to combat desertification and mitigate the effects of drought. In this context, discussions on the research plans, projects and activities of the Research Centre have been facilitated, in collaboration with the Italian Ministry of the Environment and in consultation with the United Nations Educational, Scientific and Cultural Organization (UNESCO). At a meeting hosted by the Italian Ministry of the Environment in Rome with representatives of UNESCO and the UNCCD secretariat, it was agreed that additional analysis would be prepared to complete the work on the mandate of the Research Centre, and on other associated legal issues, and that other institutions would be actively engaged in the establishment and activities of the Research Centre, both as recipients and supporting parties. The next meeting is planned to be held in December 2003 cooperatively by the secretariat, the Ministry of Environment of Italy and UNESCO; the finalization of the agreement will take place in October 2003.

22. At the request of COP 5, the report of the ad hoc panel on early warning systems and the background papers for the reappointed ad hoc panel on early warning systems have been prepared and published for COP 6 by the secretariat. Furthermore, supplementary actions have been undertaken to foster progress in the field of science and technology, including the development of the desertification information system for planning needs in the Mediterranean region (DISMED) with the generous support of the Italian government.

5. Facilitation of implementation and coordination

Table 7. Expenditures in 2002-2003 for facilitation of implementation and coordination  
(United States dollars)

Object of expenditure	Approved 2002-2003 budget	Policy coordination	Africa unit	Asia unit	LAC unit	Europe unit	Actual expenditure as at 31 May 2003	Estimated expenditure to 31 Dec. 2003	Total estimated expenditure	%	Supplementary Fund as at 31 May 2003
Staff costs (1 D-1, 5 P-5, 5 P-4, 3 P-3, 4 GS)	3,379,700	281,600	571,700	683,000	543,300	372,200	2,451,800	927,900	3,379,700	100.0	511,500
Consultants and experts	0	0	0	0	0	0	0	0	0	0.0	372,108
Travel of representatives and participants	0	0	0	0	0	0	0	0	0	0.0	753,810
Staff travel	506,800	77,900	157,000	123,200	108,700	17,100	483,900	22,900	506,800	100.0	86,345
Contractual services	0	0	0	0	0	0	0	0	0	0.0	25,000
Grants	0	0	0	0	0	0	0	0	0	0.0	1,789,953
<b>Total</b>	<b>3,886,500</b>	<b>359,500</b>	<b>728,700</b>	<b>806,200</b>	<b>652,000</b>	<b>389,300</b>	<b>2,935,700</b>	<b>950,800</b>	<b>3,886,500</b>	<b>100.0</b>	<b>3,538,716</b>

23. When considering the programme for facilitation of implementation and coordination, it should be noted that activities supported by the secretariat were often undertaken in coordination with, and with support from, other actors, in order to achieve the expected results.
24. As at 31 May 2003, 60 affected country Parties adopted their national action programmes (NAPs), representing a large majority of countries affected by desertification. Pursuant to decision 8/COP.4, all other affected developing country Parties are expected to complete their programmes by the end of 2005. Most have already taken steps to meet this objective, with support from the secretariat and other relevant organizations and agencies, in particular the Global Mechanism. Furthermore, four out of the five regions covered by Implementation Annexes under the Convention are at an advanced state with regard to their regional action programmes (RAPs), which are supported and linked with national level action by subregional action programmes (SRAPs) in Africa, Asia and Latin America and the Caribbean. Through the formulation and finalization of the action programmes, the overall focus of the Convention process has shifted from the planning and preparatory phase towards actual implementation.
25. In 2002, a major share of the activities of the programme focused on the first session of the CRIC (CRIC 1). CRIC 1 provided a thematically oriented review that highlighted constraints and progress made, and facilitated the duplication of success stories identified in the course of implementation, on the basis of seven key thematic topics identified in decision 1/COP.5.
26. Prior to CRIC 1, all affected countries were requested to prepare and/or update national reports, to serve as the basis of the review. The national reporting process involved the collection of data pertaining to the implementation process, the preparation of background documentation, the organization of national workshops to review or update the status of desertification and drought and measures to address these issues, the compilation of salient information, and validation of draft reports and their finalization and submission to the UNCCD secretariat. Indicative items to be addressed in the national reports were described in the Help Guides for each region, in conformity with decision 10/COP.5. An explanatory note, which further clarified the implications of decisions 1/COP.5, 3/COP.5 and 10/COP.5 on the reporting process, complemented each Help Guide.
27. A total of 195 reports were transmitted to the secretariat from country Parties and observers, of which 148 came from affected country Parties and relevant regional and subregional organizations, while the developed country Parties, United Nations organizations and intergovernmental organizations provided a total of 47 reports.
28. The reports reflect the progress made in each country Party with respect to implementation of the UNCCD since the first reporting made to the AHWG which was convened in 2000 and 2001. The reports also facilitated the ownership process embedded in the Convention by associating various stakeholders at the national level with the reporting exercise. The national report preparation process further facilitated the formulation or implementation of NAPs to combat desertification in each affected country.
29. The reports submitted by affected country Parties and their partners were compiled, synthesized and preliminarily analysed by the secretariat, as requested in decision 11/COP.1. External experts were hired to facilitate the compilation, synthesis and preliminary analysis, as well as to assist in providing for the regional inputs for the review process.

30. In accordance with the decisions of COP 5, the detailed review of national reports was undertaken at the regional level, while the first session of the CRIC was to build on this review to focus on thematic highlights and regional trends. In order to facilitate the regional review process, four regional meetings were organized.

31. COP 6 will consider conclusions and recommendations of the CRIC. Four regional meetings preparatory to COP 6 will be organized in June-July 2003 with the aim of providing a forum for the exchange of views on the main agenda items of the COP and to identify opportunities to strengthen regional cooperation focus of the Convention's review process.

32. In accordance with the shift of focus in the Convention process mentioned above, and at the request of the affected country Parties, the secretariat has paid enhanced attention to supporting the affected country Parties in their efforts to implement the action programmes. Among the priority activities have been the following:

- Preparations to conclude partnership arrangements. In cooperation with other relevant organizations and agencies, in particular the Global Mechanism, consultative coordination meetings have been held in some country Parties. Furthermore, information and assistance relating to the integration of the NAPs into sustainable development policies, programmes and strategies have been provided.
- Strengthening of the synergistic approach in implementation of the UNCCD. Several national level synergy workshops have been organized or are planned with the aim of bringing together all relevant national level stakeholders and identifying and developing suitable methods and practices for fostering synergies between the implementation of various conventions.
- Strengthening of cooperation for substantive development of the priority areas to combat desertification. On the basis of the priorities identified by the affected countries in their RAPs, several thematic workshops and meetings focusing on, *inter alia*, agroforestry, rangelands, dryland water resources, benchmarks and indicators and desertification monitoring, have been facilitated in Africa, Asia, Latin America and the Caribbean, and Europe. The development and launching of related pilot projects has been supported.

Table 8. Expenditures in 2002-2003 for facilitation of implementation and coordination – Policy coordination  
(United States dollars)

Object of expenditure	Core budget	Core budget	Core budget	%	Supplemen-	Supplemen-	Supplemen-
	actual	estimated	total		tary Fund	tary Fund	tary Fund
	expenditure	expenditure	expenditure		expenditure	expenditure	total
	as at	to	estimated		as at	to	estimated
	31 May	31 Dec. 2003	expenditure		31 May	31 Dec.	expenditure
	2003	2003			2003	2003	as at 31
							Dec. 2003
Staff costs (1 D-1, 1GS)	281,600	98,400	380,000	100.0	0	0	0
Consultants and experts	0	0	0	0.0	20,000	0	20,000
Travel of representatives and participants	0	0	0	0.0	0	0	0
Staff travel	77,900	2,100	80,000	100.0	0	0	0
<b>Total</b>	<b>359,500</b>	<b>100,500</b>	<b>460,000</b>	<b>100.0</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>

Table 9. Expenditures in 2002-2003 for facilitation of implementation and coordination in the Africa region  
(United States dollars)

Object of expenditure	Core budget actual expenditure as at 31 May 2003	Core budget estimated expenditure to 31 Dec. 2003	Core budget total estimated expenditure	%	Supplementary Fund expenditure as at 31 May 2003	Supplementary Fund estimated expenditure to 31 Dec. 2003	Supplementary Fund total estimated expenditure as at 31 Dec. 2003
Staff costs (1 P-5, 2 P-4, 1 P-3, 1 GS)	571,700	318,000	889,700	100.0	236,000	66,500	302,500
Consultants and experts	0	0	0	0.0	182,928	15,000	197,928
Travel of representatives and participants	0	0	0	0.0	256,896	640,000	896,896
Staff travel	157,000	3,000	160,000	100.0	36,636	32,000	68,636
Contractual services	0	0	0	0.0	0	20,000	20,000
Grants	0	0	0	0.0	1,091,797	303,000	1,394,797
<b>Total</b>	<b>728,700</b>	<b>321,000</b>	<b>1,049,700</b>	<b>73.5</b>	<b>1,804,257</b>	<b>1,076,500</b>	<b>2,880,757</b>

33. The affected African country Parties were assisted in preparing and/or updating their national reports for CRIC 1. Five national forums or seminars were organized for finalizing NAPs. Twelve affected African countries launched a consultative process for concluding partnership agreements, with the aim of fostering the mobilization of resources for effective implementation of the NAPs. Four countries held national synergy workshops; three more are planning to hold similar workshops by the end of 2003. Several African countries have begun the formulation, and some of them also the implementation, of pilot projects to combat desertification.

34. Four out of five African subregions have completed their SRAPs. In this context, workshops have been held for fostering collaboration and partnership building. Furthermore, several transboundary pilot projects have been formulated and also implemented under the supervision of subregional organizations.

35. In the framework of the African RAP, four thematic programme networks (TPNs) concerning water resources, agroforestry, rangelands and monitoring, have been launched and further substantive development is underway. The fifth network, on renewable energy sources, is expected to be launched by the end of 2003. Through the Africa Regional Coordination Unit, the secretariat has further provided support for these facilitation activities. On the basis of the priority areas of the RAP, consultations and workshops are organized for linking implementation of the UNCCD with the activities under the Environment Initiative of the New Partnership for Africa's Development (NEPAD).

36. Results of the facilitation activities in the African region can be summarized as follows:

(a) 48 out of 53 affected African countries submitted their reports to CRIC 1;

(b) Since 2001, five African countries have adopted their NAPs, bringing the total of adopted NAPs in Africa to 29. Three other African countries are planning to complete the formulation of their NAPs before the end of 2003. Several countries are in close contact with their bilateral and international partners, with the objective of jointly organizing a consultative

coordination meeting to facilitate the conclusion of partnership arrangements, as foreseen in the relevant provisions of the Convention. The integration of the NAPs into the development strategies of the affected countries has been considerably improved through the consultative processes between the countries concerned and their cooperating partners;

(c) At the subregional level, four SRAPs are in the implementation phase. The formulation of a fifth SRAP is at an early stage;

(d) Five of the planned six TPNs for Africa will be operational by the end of the biennium; two of them were launched in 2003. The networks are expected to facilitate implementation of the Convention at the national and transboundary levels.

Table 10. Expenditures in 2002-2003 for facilitation of implementation and coordination in the Asia region  
(United States dollars)

Object of expenditure	Core budget		Core budget total estimated expenditure	%	Supplementary Fund		Supplementary Fund total estimated expenditure as at 31 Dec. 2003
	actual expenditure as at 31 May 2003	estimated expenditure to 31 Dec. 03			actual expenditure as at 31 May 2003	Supplementary Fund estimated expenditure to 31 Dec. 2003	
Staff costs (2 P-5, 1 P-4, 1 P-3, 1 GS)*	683,000	167,000	850,000	100.0	145,600	94,500	240,100
Consultants and experts	0	0	0	0.0	49,525	40,000	89,525
Travel of representatives and participants	0	0	0	0.0	152,161	380,000	532,161
Staff travel	123,200	11,800	135,000	100.0	0	0	0
Contractual services	0	0	0	0.0	0	16,000	16,000
Grants	0	0	0	0.0	353,678	68,000	421,678
<b>Total</b>	<b>806,200</b>	<b>178,800</b>	<b>985,000</b>	<b>100.0</b>	<b>700,964</b>	<b>598,500</b>	<b>1,299,464</b>

\* One P-3 staff member also provided services to the Policy Coordination.

37. The affected Asian country Parties were assisted in preparing and/or updating their national reports for CRIC 1. Seven national forums or seminars were organized for the preparation or finalization of NAPs. Four affected Asian countries launched a consultative process for concluding partnership agreements, with the aim of fostering the mobilization of resources for effective implementation of the NAPs. In 2003, two countries are planning to hold national synergy workshops.

38. The SRAP for combating desertification in West Asia is now being implemented, in cooperation with organizations concerned. The Central Asian countries are expected to finalize their SRAP by the end of 2003. The ten countries of Southeast Asia are also striving to complete their SRAP shortly. For this purpose, as well to support the preparation of NAPs, a subregional workshop will be held before the end of 2003.

39. In the framework of the Asia RAP, four TPNs concerning monitoring, agroforestry, rangelands and water resources, have been launched and the further substantive development, as well as the formulation of pilot projects, is under way. Priority activities for the RAP will be further formulated through the regional Ministerial Conference which will have taken place in Abu Dhabi,



United Arab Emirates, in June 2003. The fifth network on the mitigation of impacts of drought, and the sixth network on the integrated local area development programmes are expected to be launched soon. Through the Asia Regional Coordination Unit, the secretariat has further provided support for these facilitation activities.

40. Results of the facilitation activities in the Asian region can be summarized as follows:

(a) 44 Asian countries submitted their reports to CRIC 1;

(b) Since 2001, seven Asian countries have adopted their NAPs, bringing the total of adopted NAPs in Asia to 17. Thirteen other Asian countries are planning to complete the formulation of their NAPs before the end of 2003. Several countries are in close contact with their bilateral and international partners, with the objective of jointly organizing a consultative coordination meeting to facilitate the conclusion of partnership arrangements, as foreseen in the relevant provisions of the Convention. The integration of the NAPs into the development strategies of the affected countries has been considerably improved through the consultative processes between the countries concerned and their cooperating partners;

(c) At the subregional level, one SRAP is in the implementation phase. The preparation of two more SRAPs is at an advanced stage;

(d) Five of the planned six regional TPNs for Asia will be operational by the end of the biennium, two of which are being launched in 2002-2003. The networks are expected to facilitate the implementation of the Convention at the national and transboundary levels.

Table 11. Expenditures in 2002-2003 for facilitation of implementation and coordination in the Latin America and the Caribbean region  
(United States dollars)

Object of expenditure	Core budget actual expenditure as at 31 May 2003	Core budget estimated expenditure to 31 Dec. 2003	Core budget total estimated expenditure	%	Supplementary Fund actual expenditure as at 31 May 2003	Supplementary Fund estimated expenditure to 31 Dec. 2003	Supplementary Fund total estimated expenditure as at 31 Dec. 2003
Staff costs (1 P-5, 1P-4, 1 P-3, 1 GS)	543,300	206,700	750,000	72.4	129,900	52,500	182,400
Consultants and experts	0	0	0	0.0	63,211	210,000	273,211
Travel of representatives and participants	0	0	0	0.0	314,397	144,000	458,397
Staff travel	108,700	3,100	111,800	100.0	29,933	0	29,933
Contractual services	0	0	0	0.0	0	40,000	40,000
Grants	0	0	0	0.0	242,520	791,000	1,033,520
<b>Total</b>	<b>652,000</b>	<b>209,800</b>	<b>861,800</b>	<b>74.5</b>	<b>779,961</b>	<b>1,237,500</b>	<b>2,017,461</b>

41. Affected Latin American and Caribbean (LAC) country Parties were assisted in the preparation and/or updating their national reports for submission to the CRIC 1 meeting. Three national meetings were organized for the preparation and finalization of NAPs. One LAC country launched a consultative process towards partnership agreements, with the aim of fostering the

mobilization of financial resources for an effective implementation of its NAP. The seven Mesoamerican countries plan to hold a synergy workshop for the subregion, and two more countries are planning to hold corresponding national activities by the end of 2003.

42. At the subregional and regional levels, priority lies on facilitation for the preparation and implementation of the NAPs. In this regard, three subregional workshops on benchmarks and indicators were held during the biennium. Two subregional workshops on agroforestry are planned to be held by the end of 2003.

43. The results of the facilitation activities in the LAC region can be summarized as:

(a) All 33 LAC country Parties submitted national reports to CRIC 1;

(b) By the end of year 2003, the number of adopted NAPs in the region is expected to rise to 14. Several countries are in close contact with bilateral and international partners, with the aim of jointly organizing a consultative coordination meeting to facilitate the conclusion of partnership arrangements. The integration of the NAPs into the development strategies of the affected countries has been considerably enhanced through these consultative processes between the countries concerned and their cooperating partners;

(c) At the subregional level, the subregional programmes of Gran Chaco Americano and Puna Americana are fully under way. Three more SRAPs are being prepared: one in Mesoamerica and two in the Caribbean subregion: one for the Hispaniola island ecosystem and the other for the entire subregion.

(d) Six regional TPNs for the LAC region were mandated to be launched in 2003-2004 at the IX LAC Regional Meeting held in Bogotá, Colombia, in June 2003. These thematic networks are expected considerably to facilitate the implementation of the Convention at the national and international levels.

Table 12. Expenditures in 2002-2003 for facilitation of implementation and coordination in the NM, CEE and other affected country Parties  
(United States dollars)

Object of expenditure	Core budget		Core budget total estimated expenditure	%	Supplemen-	Supplemen-	Supplemen-
	actual expenditure as at 31 May 2003	estimated expenditure to 31 Dec. 2003			tary Fund actual expenditure as at 31 May 2003	tary Fund estimated expenditure to 31 Dec. 2003	tary Fund total estimated expenditure as at 31 Dec. 2003
Staff costs (1 P-5, 1 P-4)	372,200	137,800	510,000	100.0	0	0	0
Consultants and experts	0	0	0	0.0	56,444	10,000	66,444
Travel of representatives and participants	0	0	0	0.0	30,356	105,000	135,356
Staff travel	17,100	2,900	20,000	100.0	19,776	25,000	44,776
Contractual services					25,000	35,000	60,000
Grants	0	0	0	0.0	101,958	0	101,958
<b>Total</b>	<b>389,300</b>	<b>140,700</b>	<b>530,000</b>	<b>100.0</b>	<b>233,534</b>	<b>175,000</b>	<b>408,534</b>

44. The affected Northern Mediterranean (NM), Central and Eastern European (CEE), and other affected country Parties were assisted in preparing and/or updating their national reports for CRIC 1, and 17 of them submitted their reports. Two countries were supported in the preparation or finalization of NAPs. To date, seven European countries have adopted their NAPs, and one more country is expected to finalize its NAP by the end of 2003.

45. At the regional level, the emphasis has been on the strengthening of coordination among the European countries, and developing the substantive and conceptual basis for NAP implementation. The Annex IV countries met in a workshop held in April 2003 to discuss potential cooperation at the regional level. With regard to Annex V countries, the preparation of a RAP is expected to be launched in 2003.

### 5. External relations and public information

Table 13. Expenditures in 2002-2003 for external relations and public information  
(United States dollars)

Object of Expenditure	Approved 2002-2003 budget	Actual expenditure as at 31 May 2003	Estimated expenditure to 31 Dec. 2003	Total estimated expenditure as at 31 Dec. 2003	%	Supplementary Fund as at 31 Dec. 2003
Staff costs (1 P-4, 1 P-3, 2 P-2, 1 GS)	950,000	725,300	224,700	950,000	100.0	0
Travel of participants and representatives	0	0	0	0	0.0	447,244
Consultants and experts	60,000	60,000	0	60,000	100.0	467,000
Contractual services	0	0	0	0	0.0	135,209
Staff travel	120,000	104,300	15,700	120,000	100.0	0
Grants						54,123
<b>Total</b>	<b>1,130,000</b>	<b>889,600</b>	<b>240,400</b>	<b>1,130,000</b>	<b>100.0</b>	<b>1,103,576</b>

46. Staff in this programme participated in meetings and consultations relevant to the UNCCD process, particularly meetings of the governing bodies of other Rio conventions and partner institutions, the WSSD and the Second Assembly of the GEF as well as the General Assembly of the United Nations and the Commission on Sustainable Development. Consultants have assisted in drafting technical documents and compiling information further defining the links between desertification and poverty and the consideration of UNCCD as a global issue, and other documents for the COP.

47. External relations and public information activities focus on three topics: inter-agency coordination, cooperation with NGOs and public information.

48. Inter-agency coordination activities include active participation in meetings and regular consultations with key partner agencies supporting the implementation of the Convention. The development of memoranda of understanding to strengthen cooperation with these partners has continued.

49. Cooperation with the non-governmental community includes support to NGO participation in the COP, meetings of its subsidiary bodies and other related meetings, and the strengthening of their

outreach and awareness-raising capacities and of their institutional capacities in order to be actively involved in implementation of the UNCCD at all levels. NGOs are also supported in coordinating their input to subregional, regional and global conferences relating to combating desertification.

50. Public information activities include the publication of the UNCCD newsletter twice a year, reprints of the UNCCD information kits in all six official United Nations languages, the production of memorabilia for CRIC 1 and COP 6, dissemination of public information material, the establishment of electronic journalist and photograph databases, exhibitions at large conferences and events, the production of promotional brochures for WSSD, and preparations for the celebration of World Day to Combat Desertification and Drought on 17 June. The facilitation of media representatives' participation at COP 6 is also anticipated. In addition, public information activities include collaboration with UNESCO, with the support of donor countries (Italy, Monaco, Switzerland), in the dissemination and translation of a teacher's kit on desertification in languages other than English, French and Spanish, and the production of joint calendars, brochures and exhibits with the conventions on climate and biodiversity and the production of a UNCCD CD-ROM. The UNCCD web page is regularly updated and has received very positive feedback from users.

51. Results of the activities described above can be summarized as follows:

(a) Strengthened relationships with the secretariats of other relevant conventions, and with international financial institutions and other international and intergovernmental organizations;

(b) NGOs have played a catalytic role in bringing to the attention of donors and other partners local communities' problems and approaches relating to desertification and land degradation. At the local level, they have played a crucial role in promoting grassroots involvement and the application of best practices in implementation of the Convention;

(c) Intersectoral and interregional dialogue has been promoted and facilitated, and awareness raised of the problem of desertification through information material to emphasize the global character of desertification and its interrelations with other social aspects, such as poverty and environmental issues, especially biodiversity and climate change.

## 6. Administration and finance

Table 14. Expenditures in 2002-2003 for administration and finance  
(United States dollars)

Object of expenditure	Approved 2002-2003 budget	Actual expenditure as at 31 May 2003	Estimated expenditure to 31 Dec. 2003	Total estimated expenditure as at 31 Dec. 2003	%
Staff costs (1 P-5, 1 P-4, 3 GS)	290,000	164,000	126,000	290,000	100.0
Consultants and experts	90,000	59,000	31,000	90,000	100.0
Staff travel	100,000	71,300	28,700	100,000	100.0
General operating expenses	646,000	343,500	302,500	646,000	100.0
Contractual services	140,000	110,000	30,000	140,000	100.0
Supplies and materials	100,000	56,900	43,100	100,000	100.0
Equipment and furniture	180,000	142,100	37,900	180,000	100.0
Contribution to joint services	340,000	320,000	20,000	340,000	100.0
<b>Total</b>	<b>1,886,000</b>	<b>1,266,800</b>	<b>619,200</b>	<b>1,886,000</b>	<b>100.0</b>

52. Under this programme, an amount of US\$ 2,386,000 was approved for the biennium 2002-2003 for staff-related costs of five administrative staff and operation expenses of the secretariat. However, within the biennium, the Executive Secretary has been able to negotiate more funding from the United Nations programme support funds, thereby releasing US\$ 500,000 which was allocated to the facilitation of implementation and coordination and external relations and public information in accordance with the provisions of paragraph 9 of decision 4/COP.5, thereby leaving a balance of US\$ 1,886,000.

53. The amount available for expenditure in 2002-2003 under this programme (US\$ 1,886,000) has been used to cover the cost of staff training, temporary assistance required by the secretariat, travel of staff in administration and finance-related travel and general operating expenses of the secretariat, that is for communications (telephone, fax, postage, pouches), rental and maintenance of office premises, supplies and materials, replacement of office equipment, and contractual services in relation to the implementation of the Integrated Management Information System (IMIS), insurance coverage and audit services.

54. Results of administration and finance activities include:

(a) Timely preparation of job descriptions and efficiently provided human resources services and improvement in the quality and timely submission of donor reports;

(b) Provided travel and logistic arrangements for the UNCCD sponsored meetings, conferences and workshops;

(c) Development of internal financial and other controls with a view to all resources being properly recorded, controlled and utilized;

(d) Successful implementation of IMIS in collaboration with the UNFCCC;

(e) Facilitation of the second audit process of the financial statements of the UNCCD;

(f) The commencement of the process of developing a human resources policy in preparation for taking over more responsibility on human resources issues.

## 7. Global Mechanism

Table 15. Income and expenditure of the Global Mechanism in 2002  
(United States dollars)

	Projected to 31 Dec. 2002	Actual as at 31 Dec. 2002	%
<b>INCOME</b>			
Balance brought forward from 2001	136,351	136,351	
<b>CONTRIBUTIONS</b>			
Budget from UNCCD	1,737,300	768,000	
To be paid in 2003 <sup>1/</sup>		969,300	
Administrative overhead contribution 8% of US\$ 1,737,300	138,984		
<b>To be paid in 2003</b>		<b>138,984</b>	
<b>Total</b>	<b>2,012,635</b>	<b>2,012,635</b>	
<b>EXPENDITURE</b>			
	Total 2002 budget	Actual as per accounting records	
1. Staff costs	1,198,000	1,136,800	95%
2. Duty travel	255,000	244,661	96%
3. Consultancies and short-term support	285,750	159,168	56%
4. General operating expenses	7,500	5,338	71%
5. Supplies and equipment	77,401	77,382	100%
6. Contractual services	34,000	31,734	93%
7. Contingency	16,000	0	0%
<b>Subtotal</b>	<b>1,873,651</b>	<b>1,655,083</b>	<b>88%</b>
8. IFAD service charges	138,984	138,984	100%
<b>Total</b>	<b>2,012,635</b>	<b>1,794,067</b>	
Funds committed not accrued		15,833	
Net exchange rate movements		5,725	
<b>Grand total</b>	<b>2,012,635</b>	<b>1,815,625</b>	<b>90%</b>
Balance carried forward to 2003		197,010	
		<b>2,012,635</b>	

<sup>1/</sup> US\$ 570,000 paid in February 2003.

55. The COP 5 approved a budget of US\$ 1,737,300 for the year 2002 for the Global Mechanism. An amount of US\$ 136,351 was brought forward from 2001 resulting in a total amount of US\$ 1,873,651 available for the year 2002. This, including an overhead of US\$ 138,984 totalled US\$ 2,012,635.

56. Table 15 shows the budget allocations and the actual amounts spent on each budget line. The table shows that 90 per cent of the budget was used at the end of the year but with prior year adjustments this left a carry forward to 2003 of US\$ 197,010. Thirty-one per cent of this carry forward was related to costs of fixed-term staff of the GM, as the final cost of this category of the budget can only be determined at the end of the financial year. The remaining 69 per cent was related to consultancies and short-term support, and other budget categories that similarly reflect the determination of final costs versus commitments made.

Table 16. Income and expenditure of the Global Mechanism in 2003<sup>1/</sup>  
(United States dollars)

	Projected to 31 Dec. 2003	Actual as at 31 March 2003		
<b>INCOME</b>				
Balance brought forward from 2002	197,010	197,010		
<b>CONTRIBUTIONS</b>				
Budget from UNCCD	1,787,300			
To be paid		1,787,300		
Administrative overhead contribution 8% of US\$ 1,787,300	142,984			
To be paid		142,984		
<b>Total</b>	<b>2,127,294</b>	<b>2,127,294</b>		
<b>EXPENDITURE</b>				
	Total 2003 budget	Actual as per accounting records	Funds committed to 19 June 2003	Estimated expenditure to 31 Dec. 2003
1. Staff costs	1,410,500	307,725	1,325,003	1,410,500
2. Duty travel	270,310	44,950	181,643	270,310
3. Consultancies and short-term support	146,000	31,658	134,596	146,000
4. General operating expenses	9,500	485	1,714	9,500
5. Supplies and equipment	103,000	14,682	80,900	103,000
6. Contractual services	40,000	540	4,641	40,000
7. Contingency	5,000	0	0	5,000
<b>Subtotal</b>	<b>1,984,310</b>	<b>400,039</b>	<b>1,728,497</b>	<b>1,984,310</b>
8. IFAD service charges	142,984	0	142,984	142,984
<b>Total</b>	<b>2,127,294</b>	<b>400,039</b>	<b>1,871,481</b>	<b>2,127,294</b>

<sup>1/</sup> These figures do not include accruals as at 31 March 2003.

57. Table 16 shows the current status of the budget for 2003, which includes the carry forward from 2002 provided above. As at the end of March 2003, 88 per cent of the budget has been committed. It is currently expected that approximately 95 per cent of the budget will be utilized at the end of the year. The reason for expecting this less than 100 per cent utilization is because final costs, in particular those relating to fixed-term staff may be lower than the budget allocation as certain costs thereof can only be exactly determined after the year end. Among the factors for this is the Euro/US\$ exchange rate fluctuation which is taken into account for determining applicable post adjustment costs and for recording General Service salary costs. At the date of writing this report, GM does not expect an overrun in any of the budget items and therefore does not foresee the use of the contingency of US\$ 5,000.

#### B. Supplementary Contribution to the Convention Activities by the Host Government (Bonn Fund) in 2002

58. A supplementary contribution of Euro 511,292 (US\$ 450,909) was received from the host Government for Convention-related activities and events. This contribution is expected to be used for the following activities:

Table 17. Expenditures in 2002 from the Bonn Fund  
(United States dollars)

Activity	Actual expenditure (US\$)
A. Assistance for the reporting and review process	99,948
B. Support to the preparatory conference to the WSSD	91,545
C. Support to the High-Level Forum on Cooperation between Africa and Latin America and the Caribbean on the implementation of the UNCCD	102,518
D. Launching of the TPN on ecological monitoring, natural resources mapping, remote sensing and early warning systems in Africa	39,078
E. Support for TPN on rangeland management and sand dune fixation: workshop on best practices in rangeland management in Asia	20,000
F. Launch meeting of TPN on water resources management for agriculture in arid, semi arid, and dry sub-humid areas in Asia	20,000
G. Support for the further development of benchmarks and indicators on drought and desertification in LAC	25,946
Programme support costs	51,874
<b>Total</b>	<b>450,909</b>

### C. Special Fund for Participation

Table 18. Status of Special Fund for Participation as at 31 May 2003  
(United States dollars)

<b>Income</b>	<b>US\$</b>
Interest savings and prior years adjustments	422,314
Contributions received in 2002-2003	394,263
Interest earned in 2002-2003	39,157
<b>Total income 2003</b>	<b>855,734</b>
<b>Estimated expenditures</b>	<b>US\$</b>
Travel of 132 participants to CRIC 1	587,892
Travel of 195 participants to COP 6	1,292,550
Overhead	244,457
<b>Total estimated expenditures</b>	<b>2,124,899</b>
<b>Shortfall*</b>	<b>1,269,165</b>

\* Efforts to mobilize funds from donor countries to cover for the shortfall are underway, and the status of funds raised will be reported to the COP as at 20 August 2003.

## III. HUMAN RESOURCES

### A. Core budget

59. The approved staffing table for the secretariat under the 2002-2003 core budget comprises 30 posts in the Professional and higher categories and 13 posts in the General Service category. The recruitment process is underway to fill the few remaining vacant posts.



Table 19. Status of staffing by gender and fund type as at 30 June 2003\*

Category	Approved / Established			Filled			Gender distribution						Total female	Total male	Total approved / established posts	Total filled posts
	Core budget	Suppl. Fund	Prog. Support	Core budget	Suppl. Fund	Prog. Support	Core budget		Supplementary Fund		Programme support					
							F	M	F	M	F	M				
ASG	1			1				1						1	1	1
D-1	2			1				1						1	2	1
P-5	10		2	9		2	2	7				2	2	9	12	11
P-4	8	1		8	1		1	7		1			1	8	9	9
P-3	5			5			3	2					3	2	5	5
P-2	4		1	4		1	1	3				1	1	4	5	5
<b>Subtotal</b>	<b>30</b>	<b>1</b>	<b>3</b>	<b>28</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>21</b>		<b>1</b>		<b>3</b>	<b>7</b>	<b>25</b>	<b>34</b>	<b>32</b>
GS	13		10	13		10	10	3			8	2	18	5	23	23
<b>Total</b>	<b>43</b>	<b>1</b>	<b>13</b>	<b>41</b>	<b>1</b>	<b>13</b>	<b>17</b>	<b>24</b>		<b>1</b>	<b>8</b>	<b>5</b>	<b>25</b>	<b>30</b>	<b>57</b>	<b>55</b>

\* 1 P-5, 1 P-4 and 3 GS posts under core budget included in the above table were financed through programme support funds.

Table 20. Comparison of the approved and filled posts as at 30 June 2003 – Core Budget

Category	Approved	Filled	Region						
			M	F	Africa	Asia	LAC	WEOG	CEE
ASG	1	1	1	0	1	0	0	0	0
D-1	2	1	1	0	0	0	0	1	0
P-5	10	9	7	2	3	0	1	4	0
P-4	8	8	7	1	5	1	1	1	1
P-3	5	5	2	3	1	0	1	3	0
P-2	4	4	3	1	0	2	0	1	1
<b>Subtotal</b>	<b>30</b>	<b>28</b>	<b>21</b>	<b>7</b>	<b>10</b>	<b>3</b>	<b>3</b>	<b>10</b>	<b>2</b>
GS	13	13	3	10	5	2	1	4	1
<b>Total</b>	<b>43</b>	<b>41</b>	<b>24</b>	<b>17</b>	<b>15</b>	<b>5</b>	<b>4</b>	<b>14</b>	<b>3</b>

Table 21. Comparison of the established and filled posts as at 30 June 2003 – Programme Support

Category	Established	Filled	Gender			Region			
			M	F	Africa	Asia	LAC	WEOG	CEE
P-5	2	2	2	0	2	0	0	0	0
P-2	1	1	1	0	0	1	0	0	0
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
GS	10	10	2	8	2	4	0	4	0
<b>Total</b>	<b>13</b>	<b>13</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>0</b>

60. Information on the geographical distribution of staff members occupying core budget and programme support posts is provided in tables 18 and 19, respectively. While the paramount consideration in the appointment of UNCCD staff is the necessity to secure the highest standards of efficiency, competence and integrity, efforts are made to ensure that staff is recruited on as wide a geographical basis as possible.

61. Table 17 also contains information on the gender distribution of staff members holding contracts of more than six months under all the trust funds. The secretariat is continuing to do its best to attract qualified women to join the secretariat with a view to attaining the United Nations goal of 50/50 gender distribution.

62. Tables 17, 18 and 19 report on the recruitment status as at 30 June 2003. It should be noted that process is under way to fill up the remaining two vacant posts under the core budget.

#### B. Programme support costs

63. The United Nations issued to the secretariat in 2002-2003 an allotment advice totalling US\$ 2,869,400 under which salaries and related costs of three P-5, one P-4, 1 P-2 and thirteen GS posts, communication costs and costs relating to IMIS technical support are being charged. The allotment for these costs was requested in accordance with the decision adopted by the COP during its fifth session. The posts financed under programme support are those dealing with administrative and related tasks including those of the liaison offices at the United Nations headquarters. With the implementation of IMIS in Bonn, the UNCCD secretariat has continued to assume more administrative and financial functions and responsibilities formerly provided by the United Nations. Negotiations are therefore under way with the United Nations Office at Geneva to allocate a bigger

share of the programme support income earned from the UNCCD trust funds to the secretariat. This will enable the secretariat to increase capacity within the administration and finance unit. Table 19 provides the details of the posts established and funded under the programme support funds. It should be pointed out that expenses related to 5 posts under the Administration and Finance programme were covered by funds from programme support.

#### **IV. WORKING CAPITAL RESERVE**

64. Paragraph 9 of the UNCCD Financial Rules states: "Within the General Fund there shall be maintained a working capital reserve at a level to be determined from time to time by the Conference of the Parties by consensus. The purpose of the working capital reserve shall be to ensure the continuity of operations in the event of a temporary shortfall of cash. Drawbacks from the working capital reserve shall be restored from contributions as soon as possible." In the reporting biennium, the secretariat did not draw from the reserves in any of the established trust funds. It is anticipated that at the end of 2003 the required working capital reserve will be US\$ 734,912.

#### **V. ADMINISTRATIVE ARRANGEMENTS**

65. By resolution 56/196 of 7 February 2002, the General Assembly approved the continuation of the existing institutional linkage between the Convention and the United Nations Secretariat for a further five-year period, to be reviewed by the General Assembly and the COP no later than 31 December 2006.

66. The provisions of the current administrative arrangements and delegation of authority to the Executive Secretary of the UNCCD as outlined in the memorandum by the United Nations Under-Secretary-General for Administration and Management dated 22 April 1998 are summarized below:

(a) Wide authority on personnel and financial matters is delegated from the Secretary-General to the Executive Secretary;

(b) A 13 per cent programme support factor will be applied to expenditures from all trust funds except where exemptions have been authorized by the United Nations Controller;

(c) Drawing on the proceeds of this charge, the United Nations Secretariat provides full administrative support services to the Convention secretariat. A review is to be undertaken to ascertain how administrative functions could best be shared on a long-term basis between the United Nations Secretariat and the Convention secretariat in Bonn.

67. The secretariat, in collaboration with the UNFCCC secretariat, has implemented the IMIS for all administrative and financial activities. In addition, the secretariat is in the process of developing its own financial and human resources manuals. It is hoped that the United Nations will be able to provide the required training and technical support.

68. In order to cope with the increased level of responsibility there is a need to strengthen the human resources capacity of the Administration and Finance Unit of the secretariat. The secretariat intends to continue to negotiate for an increased proportion of resources from the 13 per cent programme support to the UNCCD for strengthening administrative services.

69. The secretariat has continued to explore the possibilities of collaborating with other United Nations organizations in Bonn with the aim of providing better services at a reduced cost. To this end, the secretariat has established a joint local committee of contracts and a property survey board with UNFCCC. The two bodies are charged with the responsibility for providing advice on procurement and replacement procedures for non-expendable property of the secretariat in accordance with the rules and procedures of the United Nations. The secretariat continues to seek more ways of collaborating with all the other United Nations organizations in Bonn with a view to minimizing administrative related expenses.

## VI. CONCLUSIONS

70. The COP at its fifth session requested the Executive Secretary to report at the sixth session on the financial performance of the Convention budget. In this document detailed information on the utilization of funds under the core budget has been provided. The Parties may wish to review the documents and advise the Executive Secretary of action to be taken.

71. The Executive Secretary has continued to send out quarterly reminders to all those Parties with outstanding contributions. As at 31 May 2003, however, an amount of US\$ 557,927 (from 1999-2001) is still outstanding. The COP may wish to advise the secretariat on action to be taken as regards these outstanding contributions.

72. In view of the decline in value of the US dollar vis-à-vis the Euro, current expenditure projections indicate a possibility of an over-expenditure if the secretariat is expected to maintain its current establishment. In view of this, the COP may wish to authorize the secretariat to make use of any available savings brought forward from the previous periods.

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