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### PROGRAMME AND BUDGET

#### Addendum

#### **Programme and budget for the biennium 2006-2007**

#### Note by the secretariat

### EXECUTIVE SUMMARY

1. The proposed programme budget for the biennium 2006–2007 amounts to US\$ 23,624,000 (EUR 18,185,000) and seeks to maintain minimum requirements to ensure efficient delivery of services to Parties while reflecting the provisions of the Convention and the decisions of the Conference of the Parties (COP).
2. The proposed 2006–2007 programme and budget of the secretariat represents an increase of 20.25 per cent in United States dollars and 16.79 per cent in Euros as compared to the 2004–2005 budget restated to estimated 2004–2005 costs (at the actual rates currently incurred), taking into account the impacts of fluctuations in currency exchange rates, inflation and salary adjustments. Resource requirements for the Global Mechanism represent an increase of 18.03 per cent in US\$ and 14.63 per cent in EUR as compared to the restated 2004–2005 budget.
3. The proposed programme and budget for the biennium 2006–2007 does not provide for any new posts or upgrading of the existing ones but it assumes that the current structure will be fully financed throughout the biennium. Projections of the biennium requirement (re-costing) are based on the 2002–2003 biennium when the secretariat was operating at a full capacity. The same number of posts as approved for the 2000–2001 biennium is maintained in the present budget proposal.

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4. This document presents some options for protecting the secretariat funds from future depreciation of the United States dollar against the Euro, for the consideration of Parties. Indeed over 90 per cent of the expenses of the secretariat are denominated in Euro. Thus, the currency exchange fluctuations between the Euro and the United States dollar since 2003 have continued to adversely erode the purchasing power of the secretariat budget. As a result, in 2004–2005 the secretariat has not been able to operate at its full capacity.

5. The format of the proposed budget links the required human and financial resources under each programme to activities and anticipated outputs. Further guidance to improve the current format is welcomed. This document should be read in conjunction with other budget documents submitted to the COP to the United Nations Convention to Combat Desertification (UNCCD) for consideration at its seventh session.

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### Abbreviations and acronyms

CBD	Convention on Biological Diversity
COP	Conference of the Parties
COPSUBLA	Substantive support to the Conference of the Parties, its subsidiary bodies, legal advice and global issues
CRIC	Committee for the Review of the Implementation of the Convention
CSD	Commission on Sustainable Development
CST	Committee on Science and Technology
CTBTO	Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization
EC	European Community
ECOSOC	United Nations Economic and Social Council
FAO	Food and Agriculture Organization of the United Nations
GM	Global Mechanism of the United Nations Convention to Combat Desertification
IAEA	International Atomic Energy Agency
ILO	International Labour Organization
IMO	International Maritime Organization
ISO	International Organization for Standardization
ITLOS	International Tribunal for the Law of the Sea
ITU	International Telecommunication Union
IYDD	International Year of Deserts and Desertification
JIU	Joint Inspection Unit
LADA	Land Degradation Assessment in Drylands
LULUCF	Land Use, Land-Use Change and Forestry
MA	Millennium Ecosystem Assessment
MDGs	Millennium Development Goals
NAP	National action programme
NGOs	Non-governmental organizations
OAS	Organization of American States
OECD	Organisation for Economic Co-operation and Development
OPCW	Organisation for the Prohibition of Chemical Weapons
PDF	Project Development Fund
RAP	Regional action programme
RCU	Regional coordination unit
SRAP	Subregional action programme
TPN	Thematic programme network
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNOG	United Nations Office at Geneva
UPU	Universal Postal Union
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

## I. BACKGROUND INFORMATION

### A. Mandate

1. Rule 10 (d) of the rules of procedure of the COP to the UNCCD (ICCD/COP(1)/11/Add.1, decision 1/COP.1) provides that the provisional agenda for each ordinary session of the COP shall include, as appropriate, the proposed budget as well as all questions pertaining to the accounts and financial arrangements. By its financial rules (decision 2/COP.1, annex, paragraph 3), the COP requested the head of the Convention secretariat to prepare and present to the Parties budget estimates for the following biennium in United States dollars showing projected income and expenditures for each year of the biennium concerned.

### B. Scope of the note

2. By its decision 23/COP.6, the COP at its sixth session requested the Executive Secretary in the proposed programme and budget for the biennium 2006–2007, to provide 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 specified according to the actual funds utilized, and to present a draft indicative scale of assessment.

3. By the same decision, COP 6 also requested the Executive Secretary to include data in the budget presentation by programme and by object of expenditure, showing approved and actual expenditure for the prior biennium, the proposed expenditure for the next biennium, prior to re-costing and the proposed expenditure following re-costing; and to show cost changes in US dollars and percentage terms between these categories.

4. The COP further requested the Executive Secretary to include explanations of the estimates and assumptions that were used to calculate the cost increases applied to all of the objects of expenditure.

5. The present document contains the proposed programme and budget for the biennium 2006–2007. Chapters II and III provide general information on the proposed budget and explain the methodology used in preparing the budget, including information concerning the re-costing of the proposed expenditures and explanations of the estimates and assumptions that were used in re-costing the budget. A detailed analysis of resource requirements in tabular format is presented in chapter IV. Chapter V presents information on the planned activities, anticipated outputs and required resources for each programme of the secretariat. Chapter VI presents the contingency budget for conference-servicing costs at COP 8, and the resource requirements for the Participation Fund. Chapter VII presents the conclusions and recommendations for possible action by the COP at its seventh session. Additional tables and charts with supporting information on the proposed budget are presented in annexes I–IV.

6. Costs associated with the regional coordination units (RCUs) are presented in document ICCD/COP(7)/7; they are not included in the present budget proposal.

7. Parties may wish to note that provisions may need to be made within the proposed budget for any COP 7 decisions that have financial implications.

## II. OVERVIEW

### A. Policy orientation

8. In 2006, the UNCCD will celebrate its tenth anniversary of entry into force. These past years have seen encouraging progress in creating conditions conducive to strengthened collaboration amongst actors involved in implementing the UNCCD at all levels.

9. As at 30 June 2005, 79 country Parties have finalized their national action programme (NAP) to implement the Convention, and the remaining country Parties are making efforts to complete their programmes by the end of 2005, as required by decision 8/COP.4.

10. Regional action programmes (RAPs) have been launched in Africa and Asia through the promotion of thematic programme networks (TPNs) and similar developments are well under way under the three other regional implementation annexes. Maintaining momentum for these initiatives, nevertheless, calls for some level of continuing support.

11. Globally, the international community at the highest level has recognized the specific role of the Convention in the effort to meet the Millennium Development Goals (MDGs), in particular those related to poverty. The designation of the new focal area on land degradation by the Global Environment Facility (GEF) and the elaboration of the operational programme on sustainable land management thereafter provide new perspectives on the mobilization of resources for combating desertification. General Assembly resolution 58/211 designating 2006 as the International Year of Deserts and Desertification illustrates the high political will of the international community and the recognition of the importance of the Convention in addressing poverty eradication. This Year provides further opportunities to raise awareness on, and support to, combating desertification.

12. The main challenges for the Convention process in the coming biennium are to ensure that the necessary requirements for the implementation of the action programmes are met in a responsive and coordinated manner, through the maintenance of the necessary political momentum. Consensus on a strategic pathway for the implementation of the Convention must include improved programmatic coherence and institutional collaboration at all levels, availability of financial and technical support and the needed enhancement of knowledge management and availability of information. Meeting these challenges will require effective cooperation and coordination among the Parties to the Convention at the intergovernmental level, as well as commitment and support to concrete activities at the local, national, subregional and regional levels. The secretariat is expected to play its role in this context in accordance with the relevant provisions of the Convention and decisions of the COP.

13. Against this background, the main emphasis of the secretariat's programme budget for 2006-2007, could be summarized as follows:

- (a) Organization of sessions of the Conference of the Parties and its subsidiary bodies;

(b) Ensuring the completion of the UNCCD review process through support for preparation of the reports concerning the implementation of the Convention in regions other than Africa and arrangements for their review;

(c) Provision of advice and support for strengthening the scientific, thematic and synergistic aspects in the UNCCD implementation process in the light of the COP guidance; and

(d) Coordination and follow-up to activities relating to the International Year of Deserts and Desertification in 2006.

#### B. Summary of resource requirements

14. Total resource requirements for the biennium 2006–2007, including programme support costs and working capital reserve but excluding possible conference-servicing costs, are estimated as presented in table 1 on the following page.



Table 1. Summary analysis of resource requirements for the biennium 2006–2007  
(thousands of US\$/EUR)

Activity description	2002–2003		2004–2005		2004–2005		2006–2007		2006–2007		2006–2007	
	US\$	EUR	US\$	EUR	US\$	EUR	US\$	EUR	US\$	EUR	US\$	EUR
<i>Exchange rate used</i>	1 000	0 8569	1 000	1 0850	1 000	1 2620	1 000	1 2994				
Secretariat	10,742	12,537	11,281	10,399	14,149	11,213	17,015	13,096	20.25 %	16.79 %	58.40 %	4.46 %
Global Mechanism	3,525	4,113	3,701	3,411	4,054	3,212	4,785	3,682	18.03 %	14.63 %	35.76 %	(10.48 %)
<b>Total programmes</b>	<b>14,267</b>	<b>16,650</b>	<b>14,982</b>	<b>13,810</b>	<b>18,203</b>	<b>14,425</b>	<b>21,800</b>	<b>16,778</b>	<b>19.76 %</b>	<b>16.31 %</b>	<b>52.80 %</b>	<b>0.77 %</b>
Overhead	1,855	2,165	1,948	1,794	2,366	1,875	2,833	2,180	19.74 %	16.27 %	52.72 %	0.69 %
Working capital reserve	112	131	119	110	139	110	325	250	134.13 %	127.27 %	190.57 %	90.84 %
Less: Contribution from host country	909	1,023	1,110	1,023	1,110	1,023	1,334	1,023	20.18 %	-	46.75 %	-
<b>Total Funds – (Secretariat + GM)</b>	<b>15,325</b>	<b>17,923</b>	<b>15,939</b>	<b>14,691</b>	<b>19,598</b>	<b>15,387</b>	<b>23,624</b>	<b>18,185</b>	<b>20.54 %</b>	<b>18.18 %</b>	<b>54.16 %</b>	<b>1.46 %</b>
Percentage	100.00 %	100.00 %	104.01 %	81.96 %	127.89 %	85.85 %	154.16 %	101.46 %				

15. The main factors that have impacted the proposed budget are the appreciation of the Euro vs. the United States dollar, combined with adjustments of salary standards throughout the whole of the United Nations system.

16. This proposal maintains the approved levels of staffing and staff grades and provides some support for required core activities. No new posts or post upgrades are proposed.

17. The proposed 2006–2007 programme and budget of the secretariat represents an increase of 20.54 per cent in United States dollars and 18.18 per cent in Euros, as compared to the 2004–2005 budget restated to estimated 2004–2005 costs (at the actual rates currently being incurred), taking into account the impacts of fluctuations in currency exchange rates, inflation and salary adjustments. In comparison to the approved budget for 2002–2003, the proposed Convention budget represents a nominal increase of 54.16 per cent in US dollars and 1.46 per cent in Euros.

18. The appreciation of the Euro vs. the US dollar and the adjustments to salary standards throughout the United Nations system account for more than 95 per cent of the increase in the proposed programme and budget.

C. Impact of Euro appreciation against the United States dollar on the budget proposal

19. In the preparation of the 2006–2007 programme and budget, the average of the United Nations official exchange rates for the months of January to June 2005 of EUR 1.00 = US\$ 1.2994 was used.

20. The secretariat, in accordance with the financial rules of the COP and relevant COP decisions, receives its income in US dollars, while its expenditures are primarily denominated in Euros. Consequently, fluctuations between these two currencies directly impact the availability of actual resources for the functioning of the secretariat and the Global Mechanism.

21. When considering the proposed budget increase resulting from the currency fluctuation, Parties may note that the budget for the biennium 2004–2005 was approved on the basis of the budget for the biennium 2002–2003 plus 5 per cent. No additional provisions were made to adjust for the appreciation of the Euro vs. the US dollar since June/July 2001 when the 2002–2003 budget was prepared, nor were any provisions made to provide amounts to cover actual staff salary increases throughout the United Nations system that had occurred since 2001. Even at reduced staff levels, and with maximum efforts made to reduce costs in all areas of the budget, the approved levels of the budget have still been exceeded due to the rise of the Euro from EUR 1.00 = US\$ 1.085 (United Nations official monthly rate) in October 2003 to its current rate of EUR 1.00 = US\$ 1.2994 (average of United Nations official monthly rates from January – June 2005), a rise of some 19.76 per cent due to currency fluctuations (at the United Nations official monthly rates) alone.

22. The exchange rates and the post multipliers, as summarized below, reflect the effects of the currency rate fluctuations:

	<u>Exchange rate</u> EUR 1.00 = US\$	<u>Post multiplier</u>
2002–2003 budget: developed in June/July 2001	0.8495	0.01
2004–2005 budget: developed in Spring 2003	1.135	34.60
2004–2005 budget was approved at 2002–2003 budget amounts plus 5 per cent		
2004 budget: approved in September 2003	1.085	33.60
2006–2007 budget: developed in June 2005	1.2994	48.40
Percentage increase of 2006–2007 as compared to 2002–2003	53.48 %	47.90 %

23. The relationship between the US dollar and the Euro using the United Nations official monthly exchange rates for the period starting January 2001 ending June 2005 is shown in the graph in annex I. The graph in annex III gives a comparison of the approved budget levels in both US dollars and in Euros since 2002.

#### D. Potential measures to reduce the risks of currency fluctuation

24. The adoption of a budget system that takes into account the secretariat's functional currency,<sup>2</sup> the Euro, would be an important step in reducing the exchange rate risk. Another important factor in this context would be a mechanism to address budgetary concerns between sessions of the COP.

25. In order to identify adequate measures which could reduce the risks of currency fluctuation, consultations were undertaken with other United Nations organizations located in the Euro zone. From this basis, three options are presented below for the consideration of the Parties (Information on currencies used by various United Nations organizations based in Europe is provided in annex II):

(a) Changing the assessment currency to the Euro from the United States dollar while allowing payments from the Parties in the equivalent amount in any freely convertible currency. According to this option, the impact of currency movements is accrued to the Parties, and the approved budget maintains its real level. In practical terms, the approved US dollar amount of the budget would be converted to Euros using average United Nations official rates, and Parties would be informed of the individual contributions in EUR based on the approved scale of assessment. The change in the assessment currency would not require costly changes to the existing accounting systems;

(b) Authorizing a subsidiary body meeting intersessionally (e.g., CRIC) to review and approve changes in the budget caused by unforeseen currency movements or other unforeseen

<sup>2</sup> According to International Accounting Standard No. 21, "functional currency" is defined as the currency that mainly influences labour, material and other costs of providing goods or services (this will often be the currency in which such costs are denominated and settled).

factors occurring between the sessions of the COP, or to review and approve a re-costing of the budget for the second year of the biennium;

(c) Establishing a contingency budget that could be used only in the event of adverse currency fluctuations. Under this option Parties would be requested to contribute to the contingency fund at the beginning of the biennium, in order to secure the immediate availability of resources at risk situations.

### III. METHODOLOGY

#### A. Re-costing of the budget

26. By its decision 23/COP.6, the COP requested the Executive Secretary to propose a budget presenting the proposed expenditure prior to and after re-costing, and to include explanations of the estimates and assumptions that were used to calculate the cost increases.

27. In the present programme and budget proposal, re-costing is defined as the process of estimating the actual costs of maintaining the existing organization structure, as approved for the biennium 2002–2003, in the biennium 2006–2007. The re-costing reflects the effects of factors that are external and independent from the activities of the secretariat to the resource requirements contained in the budget. The previous approved budget for 2004–2005 was derived from the 2002–2003 budget plus 5 per cent.

28. The re-costing presents the effects of inflation, increases in the United Nations standard salary scales and their application to Bonn, and currency fluctuations against each object of expenditure, as follows:

(a) Changes due to exchange rate fluctuation have been computed using the actual monthly official United Nations exchange rates in effect. This change is reflected in professional salaries as the post adjustment shown in the graph in annex IV;

(b) Inflation estimates are based on the category of expenditures involved;

(c) Adjustments for changes in salary standards (step adjustments) are based upon the official United Nations pay scales in effect during the period 2001–2005 (annex IV). The annual increase is estimated at 1.8 per cent for Professional staff and 5.0 per cent for General Service staff.

29. The analysis showing the re-costing from 2002–2003 costs to the proposed budget in 2006–2007 is presented in table 5.

### B. Staff costs

30. Standard salary costs are based on United Nations salary scales adjusted for Bonn and to reflect the exchange rates and post adjustment at the duty station. The standard salary scales used in the 2006–2007 programme and budget proposal were developed jointly by the Convention on Migratory Species (CMS), UNCCD and UNFCCC, and have been updated to reflect current averages throughout the first six months of 2005. They also include 41.18 per cent common staff costs based on actual UNCCD secretariat expenditures for Professional staff and General Service staff members. The graph in annex IV illustrates the evolution of the salary scale for Professional staff from mid-2001 to mid-2005.

Table 2. Standard salary scale 2001–2007

	<u>2001</u>		<u>2003</u> <sup>(i)</sup>		<u>2006</u>		<u>2007</u>	
	(thousands of US dollars/Euros)							
	US\$	EUR	US\$	EUR	US\$	EUR	US\$	EUR
ASG	146	170	188	173	250	192	254	196
D-2	132	154	150	138	227	174	230	177
D-1	118	138	136	125	207	159	211	162
P-5	106	124	126	116	175	134	178	137
P-4	90	105	110	101	147	113	150	116
P-3	76	89	94	87	124	95	126	97
P-2	64	75	77	71	104	80	105	81
General Service	52	61	55	50	87	67	91	70

<sup>(i)</sup> In approving the biennium 2004–2005 budget, the actual salary scales and exchange rates were not taken into account.

(a) General temporary assistance has been calculated at one per cent of the total salary costs.

(b) Overtime has been calculated at 20 per cent of one month's standard salary for each General Service post per year.

## IV. DETAILED ANALYSES OF RESOURCE REQUIREMENTS – TABLES AND CHARTS

31. For the year 2006, the required working capital reserve is calculated at US\$ 1,039,000 (EUR 800,000), of which US\$ 714,000 (EUR 549,000) should be brought forward from the previous biennium.

Table 3. Estimated resource requirements by programme  
(thousands of United States dollars/Euros)

Activity description	Total 2002–2003		Total 2004–2005		Total 2004–2005		Total 2006–2007		Total 2006–2007	
	US\$	EUR	US\$	EUR	US\$	EUR	US\$	EUR	US\$	EUR
<b>Exchange rate used</b>	1,000	0,8569	1,000	1,085	1,000	1,000	1,000	1,000	1,000	1,2994
Secretariat programmes:										
Executive management and policy	1,550	1,809	1,550	1,429	1,194	1,246	1,246	2,440	1,878	1,407
COPSUBLA	1,360	1,588	1,266	1,167	953	875	875	1,828	1,407	753
Science and technology	929	1,084	1,023	943	482	496	496	978	753	4,935
Facilitation of implementation	3,487	4,069	4,009	3,695	3,165	3,247	3,247	6,412	4,935	1,249
External relations and public information	1,030	1,202	900	829	801	822	822	1,623	1,249	2,874
Administrative and financial services	2,386	2,785	2,533	2,336	1,815	1,919	1,919	3,734	2,874	
<b>Subtotal UNCCD secretariat programmes</b>	<b>10,742</b>	<b>12,537</b>	<b>11,281</b>	<b>10,399</b>	<b>8,410</b>	<b>8,605</b>	<b>8,605</b>	<b>17,015</b>	<b>13,096</b>	
Global Mechanism	3,525	4,113	3,701	3,411	2,311	2,474	2,474	4,785	3,682	
<b>Total programmes</b>	<b>14,267</b>	<b>16,650</b>	<b>14,982</b>	<b>13,810</b>	<b>10,721</b>	<b>11,079</b>	<b>11,079</b>	<b>21,800</b>	<b>16,778</b>	
Overhead	1,855	2,165	1,948	1,794	1,394	1,439	1,439	2,833	2,180	
Working capital reserve	112	131	119	110	292	33	33	325	250	
<b>Total estimated resource requirements</b>	<b>16,234</b>	<b>18,946</b>	<b>17,049</b>	<b>15,714</b>	<b>12,407</b>	<b>12,551</b>	<b>12,551</b>	<b>24,958</b>	<b>19,208</b>	
Less: Contribution from host country Government	909	1,023	1,110	1,023	667	667	667	1,334	1,023	
<b>Net required amount</b>	<b>15,325</b>	<b>17,923</b>	<b>15,939</b>	<b>14,691</b>	<b>11,740</b>	<b>11,884</b>	<b>11,884</b>	<b>23,624</b>	<b>18,185</b>	



Table 5. Re-costed estimated resource requirements by object of expenditure  
(thousands of United States dollars/Euros)

Object of expenditure	Total 2002-2003		Total 2004-2005		Re-costing from 2002-2003 rates to projected 2006-2007 costs			Total 2004-2005 re-costed rates at		RE-COSTED		
	US\$	EUR	US\$	EUR	Exchange rate	Inflation	Salary standards	Total re-costing adjustments	2006	2007	Total 2006-2007	
		0.8569		1.085				US\$				1.2994
Staff costs	6,890	8,040	8,623	7,949	3,557	330	983	4,871	5,821	5,965	11,786	9,071
Staff insurance	-	-	-	-	27	5	-	32	40	45	85	65
Consultants and experts	410	478	282	260	324	101	-	425	615	642	1,257	967
Training	70	82	68	63	67	5	-	72	100	104	204	157
Logistics for meetings	539	629	167	154	55	38	-	93	148	52	200	154
Official travel of staff	1,387	1,619	530	488	395	107	-	502	731	757	1,488	1,145
Contractual services	140	163	62	57	49	11	-	60	70	87	157	121
General operating expenses	646	754	739	680	267	114	-	381	445	460	905	696
Hospitality	40	47	27	25	11	3	-	14	10	25	35	27
Supplies and equipment	280	327	121	113	72	9	-	81	100	123	223	173
Joint facilities <sup>1</sup>												
management costs	340	398	662	610	184	131	-	315	330	345	675	520
<b>Subtotal UNCCD secretariat programmes</b>	<b>10,742</b>	<b>12,537</b>	<b>11,281</b>	<b>10,399</b>	<b>5,008</b>	<b>854</b>	<b>983</b>	<b>6,846</b>	<b>8,410</b>	<b>8,605</b>	<b>17,015</b>	<b>13,096</b>
Allocation to Global Mechanism	3,525	4,113	3,701	3,411					2,311	2,474	4,785	3,682
<b>Total programmes</b>	<b>14,267</b>	<b>16,650</b>	<b>14,982</b>	<b>13,810</b>					<b>10,721</b>	<b>11,079</b>	<b>21,800</b>	<b>16,778</b>
Overhead	1,855	2,165	1,948	1,794					1,394	1,439	2,833	2,180
Working capital reserve	112	131	119	110					292	33	325	250
<b>Total estimated resource requirements</b>	<b>16,234</b>	<b>18,946</b>	<b>17,049</b>	<b>15,714</b>					<b>12,407</b>	<b>12,551</b>	<b>24,958</b>	<b>19,208</b>
Less: Contribution from host country Government	909	1,023	1,110	1,023					667	667	1,334	1,023
<b>Net required amount</b>	<b>15,325</b>	<b>17,923</b>	<b>15,939</b>	<b>14,691</b>					<b>11,740</b>	<b>11,884</b>	<b>23,624</b>	<b>18,185</b>
	100.00 %	100.00 %	104.01 %	81.97 %	46.62 % <sup>1</sup>	7.95 % <sup>1</sup>	9.15 % <sup>1</sup>	63.73 % <sup>1</sup>	76.61 %	77.55 %	154.16 %	101.46 %

<sup>1</sup> The percentage amounts shown on this line are for the UNCCD secretariat only.

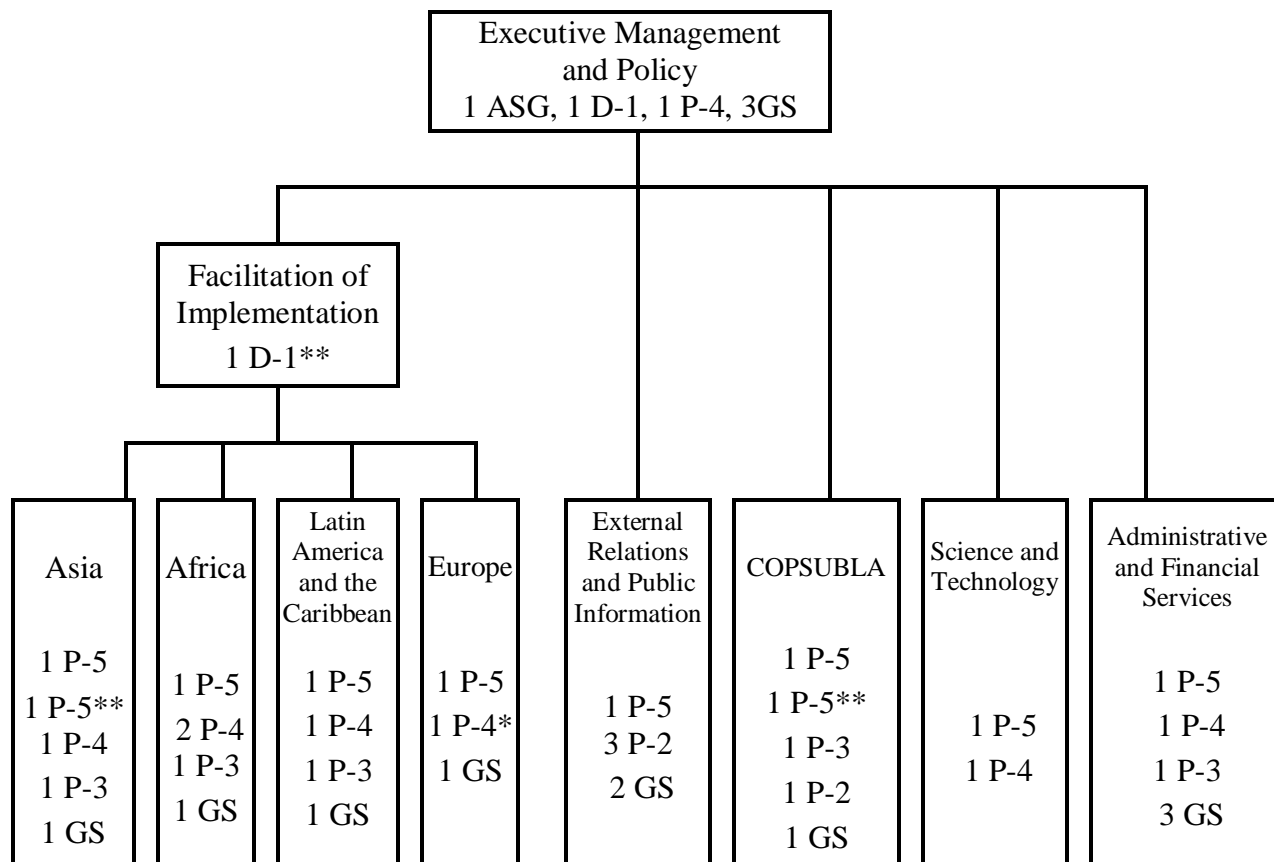


Table 6. Staffing requirements for the UNCCD secretariat  
(Thousands of US dollars/Euros)

	2006–2007		2004	2005	2006	2007
	Average cost					
	US\$	EUR				
<b>A. Professional category and above</b>						
ASG	252	194	1	1	1	1
D-1	209	161	2	2	2	2
P-5	177	136	10	10	10	10
P-4	149	115	8	8	8	8
P-3	125	96	5	5	5	5
P-2	105	81	4	4	4	4
<b>Subtotal A</b>			<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>B. General Service category</b>	<b>89</b>	<b>69</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Total (A + B)</b>			<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>

32. It should be noted that no new posts are proposed nor are any post reclassifications requested for the secretariat.

Chart: Present and proposed UNCCD secretariat core staffing for 2006–2007



\* Works part time in Asia unit on Central Asian country Parties.

\*\* Posts frozen during period 2004–2005.

## V. PROGRAMME BUDGET FOR 2006–2007

### A. Executive Management and Policy (EDM)

33. **Overview of the programme:** The Executive management and policy programme assumes corporate responsibility for the management of the secretariat and its responsiveness to the tasks assigned by the Convention and the COP.

34. **Objective for the biennium:** The secretariat functions effectively, and timely responses are provided to the needs of Parties, in accordance with the provisions of the Convention and relevant COP decisions.

35. **Basis for activities:** UNCCD article 23 and relevant COP decisions.

36. **Activities:**

- Planning and coordination of the work of the secretariat
- Provision of advice and support to the President and Bureau of the COP and the Chairperson and Bureau of the CRIC
- Organization and execution of internal management processes
- Oversight of the administration of the secretariat
- Analysis of, and response to, emerging policy issues
- Mobilization of supplementary resources
- Coordination of secretariat representation in international and other forums
- Collaboration with the Global Environment Facility
- Collaboration with the Global Mechanism and the members of its Facilitation Committee
- Promotion and maintenance of linkages with other relevant international organizations and processes
- Provision of registry and mail functions

37. **Expected outputs:** Political support for the process is fostered. The work of the secretariat is well planned and coordinated and responsiveness to intergovernmental mandates is ensured.

38. **Resource needs:**

Staff	Core:	One ASG, one D-1, one P-4, three GS	
		<u>US\$</u>	<u>EUR</u>
Staff costs		1,778,000	1,368,000
Consultancies		86,000	66,000
Travel		541,000	417,000
Hospitality		35,000	27,000
<b>Total EDM</b>		<b><u>2,440,000</u></b>	<b><u>1,878,000</u></b>

39. Programme support resource needs: Two P-5, one P-3, two GS

**B. Substantive support to the Conference of the Parties and its subsidiary bodies, legal advice and global issues (COPSUBLA)**

40. **Overview of the programme:** The COPSUBLA programme provides organizational and substantive support and legal advice to the COP, its subsidiary bodies and policy-making organs. It also assists Parties in implementing COP decisions by providing advisory services and by supporting Parties' collaboration with relevant organizations and institutions.

41. **Objective for the biennium:** Conference facilities, documentation and related services are effectively provided for all sessions of the constituted bodies under the Convention. Legal advice and support is provided to Parties on matters relating to the implementation and interpretation of COP decisions.

42. **Basis for the activities:** UNCCD articles 8 and 23 and relevant decisions taken by the COP, including decision 12/COP.6 (see ICCD/COP(6)/11/Add.1).

43. **Activities:**

- Planning, provision and oversight of conference facilities, protocol arrangements and other services for the sessions of the COP and its subsidiary bodies
- Planning and management of the documentation process
- Monitoring of the follow-up to decisions taken by the COP
- Provision of advice and analysis on legal issues relating to matters before the COP and the work of the secretariat
- Support to the development of synergy programming among the Rio conventions and other relevant multilateral agreements

44. **Expected outputs:** Sessions of the COP and its subsidiary bodies are organized and supported in an effective and efficient manner. Sound advice on procedural and legal as well as substantive aspects of the Convention process is provided to the COP and its subsidiary bodies, Parties and observers. Documentation is provided in a timely manner.

45. **Resource needs:**

Staff	Core:	Two P-5, one P-3, one P-2, one GS	
		<u>US\$</u>	<u>EUR</u>
Staff costs		1,357,000	1,044,000
Consultancies		227,000	175,000
Travel		144,000	111,000
Logistic support to CRIC 5		100,000	77,000
Logistics for working group meeting		<u>p.m.</u>	<u>p.m.</u>
<b>Total COPSUBLA</b>		<b><u>1,828,000</u></b>	<b><u>1,407,000</u></b>

46. Total cost of the logistic requirements in connection with the organization of CRIC 5 is estimated at US\$ 550,000. US\$ 100,000 is provided in the core budget of the secretariat, and the

secretariat will have to seek supplementary contributions from other donors to provide US\$ 450,000 to complement the amount in the core budget.

47. Total cost of logistics for a five-day meeting of the working group on communication of information is estimated at US\$ 168,000. The secretariat will have to seek supplementary contributions from donors in order to facilitate the meeting of the group.

48. Programme support resource needs: Two GS

### C. Science and technology

49. **Overview of the programme:** The science and technology programme provides substantive support to the Committee on Science and Technology (CST) and its Group of Experts (GoE). It also manages scientific and technical communication and networking, provision of training and scholarships. It supports the development of approaches and methodologies for synergistic implementation, and liaises with the international scientific community.

50. **Objectives for the biennium:** Scientific and technological collaboration closely related to the implementation of the UNCCD is enhanced and related information is delivered to the Convention process.

51. **Basis for the activities:** UNCCD article 23 and relevant decisions taken by the COP including decisions 1/COP.6, 3/COP.6, 12/COP.6, 13/COP.6, 14/COP.6, 15/COP.6, 16/COP.6, 19/COP.6 and 20/COP.6 (see ICCD/COP(6)/11/Add.1).

52. **Activities:**

- Provision of services and timely advice to the CST and its Bureau as well as the GoE
- Preparation of documentation for the CST, including for the maintenance and update of the roster of independent experts
- Facilitation of collection and dissemination of information on the priority themes of the CST, namely traditional knowledge, early warning systems, strategies for the communication of information and its use to generate best practices for combating desertification and mitigating the effects of drought, benchmarks and indicators, and integrated approach to land degradation, vulnerability and rehabilitation; as well as on the focus areas of the GoE
- Service to the UNCCD Fellowship Programme
- Cooperation with the secretariats of other conventions, particularly in the context of the Joint Liaison Group of the three Rio conventions, the CBD–UNCCD Joint Work Programme on the biodiversity of dry and sub-humid lands, and the UNFCCC work in the field of land use, land-use change and forestry (LULUCF)
- Liaison with relevant institutions and processes, including the Millennium Ecosystem Assessment (MA) and the Land Degradation Assessment in Drylands (LADA).

53. **Expected outputs:** Timely and quality documentation is provided for the consideration of the CST and COP. The UNCCD Fellowship Programme is launched. Linkages between the implementation of the UNCCD and the work carried out under other relevant conventions, institutions and processes are strengthened.

54. **Resource needs:**

Staff	Core:	One P-5, one P-4	
		<u>US\$</u>	<u>EUR</u>
Staff costs		656,000	505,000
Consultancies		110,000	85,000
Travel		112,000	86,000
Logistics for meetings*		<u>100,000</u>	<u>77,000</u>
<b>Total Science and technology</b>		<b><u>978,000</u></b>	<b><u>753,000</u></b>

\* Logistics support to meetings of the Group of Experts and associated fees are estimated to be US\$ 481,000 for the biennium.

55. Supplementary contributions will be sought for information delivery and pilot initiatives in the fields of traditional knowledge, benchmarks and indicators, early warning systems and transfer of know-how and technology; facilitating the work of the GoE; the UNCCD Fellowship Programme; promotion of synergies through the UNCCD-CBD Joint Work Programme; and survey and evaluation of existing networks, institutions, agencies and bodies.

D. Facilitation of implementation

56. **Overview of the programme:** The facilitation of implementation programme consists of four subprogrammes, namely those for Africa, Asia, Latin America and the Caribbean, and Europe (Northern Mediterranean and the Central and Eastern European countries). The programme assists country Parties in meeting their obligations under the Convention in accordance with the provisions of the regional implementation annexes.

57. **Objective for the biennium:** Policy advice, programming, implementation and reporting and facilitation of priority initiatives to assist Parties in meeting their obligations in the implementation of the Convention.

58. **Basis for the activities:** UNCCD article 23, Annex 1 article 18, Annex 2 article 8, Annex 3 article 7, Annex 5 article 8 and relevant decisions taken by the COP including decisions 1/COP.6, 3/COP.6, 8/COP.6, 9/COP.6 and 12/COP.6 (see ICCD/COP(6)/11/Add.1).

59. **Activities:**

- Provision of effective assistance to Parties and other relevant actors in meeting their obligations under the Convention, particularly with regard to national reporting

- Provision of consistent information and analysis for the review of progress in the implementation of the Convention by the COP and the CRIC on the basis of information provided by Parties and other relevant actors
- Policy advice at all levels by provision of information and advice to the focal points on specific aspects of the Convention’s implementation process and related COP decisions
- Promotion of coordination and cooperation at all levels including promotion of networking at the regional level and between the regions, and provision of analytical inputs on selected thematic issues
- Promotion of synergistic implementation at all levels including support to the upscaling of related best practices
- Facilitation of partnership building among affected countries and between affected countries and multilateral and bilateral support programmes and relevant agencies and institutions, including the integration of the national action programmes into development programmes and the strengthening of a participatory approach, in close collaboration with the Global Mechanism.

60. **Expected outputs:** Timely preparation of accurate and comprehensive national reports by Parties in regions other than Africa and related analysis. Contribution to progress in the implementation of the Convention, including national action programme formulation and adjustment to the elaboration process of action programmes, facilitation of implementation, coordination and cooperation at the subregional, regional and interregional levels.

61. **Resource needs:**

Staff	Core:	One D-1, five P-5, five P-4, three P-3, four GS	
		<u>US\$</u>	<u>EUR</u>
Staff costs		5,188,000	3,992,000
Consultancies		714,000	550,000
Travel		<u>510,000</u>	<u>393,000</u>
<b>Total Facilitation of implementation</b>		<b><u>6,412,000</u></b>	<b><u>4,935,000</u></b>

62. Programme support resource needs: One GS

63. Supplementary contributions will be sought for: national reporting; regional meetings to review national reports and to prepare for COP 8; workshops and pilot initiatives on priority thematic issues, particularly in the context of the subregional action programmes and the regional thematic programme networks; workshops and pilot initiatives on the synergistic implementation, and the facilitation of consultative meetings.

E. External relations and public information

64. **Overview of the programme:** The external relations and public information programme (ERPI) facilitates inter-agency coordination, supports the involvement of non-governmental organizations in the Convention process and provides information on the UNCCD. During the

biennium 2006–2007, particular emphasis will be paid to the 2006 United Nations IYDD, for which the Executive Secretary has been assigned as the focal point by the United Nations General Assembly.

65. **Objective for the biennium:** Effective support to the coordination and follow-up to the IYDD activities, as well as to public information in general, strengthening the global awareness of, and commitment to, the Convention.

66. **Basis for the activities:** UNCCD article 23 and relevant decisions taken by the COP including decisions 1/COP.6 and 3/COP.6, and the General Assembly Resolution 58/211.

67. **Activities:**

- Support to the coordination and organization of activities relating to the IYDD
- Consultations and collaboration with key agencies on matters linked to the UNCCD, such as the MDGs
- Preparation and follow-up to major United Nations meetings and events in the field of sustainable development
- Support to the effective involvement of non-governmental and community-based organizations in the UNCCD process
- Further development and implementation of the UNCCD communication strategy
- Development, production and distribution of public information
- Maintenance and update of the UNCCD website
- Media outreach
- Development and maintenance of the UNCCD library

68. **Expected outputs:** Intergovernmental agencies and non-governmental organizations take an enhanced role in the UNCCD process. IYDD activities reach large public audiences; matters relating to the implementation of the Convention receive increased attention in major intergovernmental processes; participation of civil society in the Convention process is developed and applied, and UNCCD information is effectively disseminated to Parties, observers, media and the general public.

69. **Resource needs:**

Staff	Core:	One P-5, three P-2, two GS	
		<u>US\$</u>	<u>EUR</u>
Staff costs		1,353,000	1,041,000
Consultancies		120,000	92,000
Travel		100,000	77,000
Printing and publications		<u>50,000</u>	<u>39,000</u>
<b>Total ERPI</b>		<b><u>1,623,000</u></b>	<b><u>1,249,000</u></b>



70. Consultancies are for core activities, including those relating to the coordination and organization of IYDD. These activities will require exceptionally frequent use of external expertise in 2006, and will be supplemented by supplementary resources in accordance with the requirements set out in document ICCD/COP(7)/2/Add.2.

71. Printing and publications are primarily related to public information and the awareness raising-mandate of the secretariat as detailed in the activities listed in paragraph 67 above, including the IYDD.

72. Supplementary contributions will be sought for activities and public information material related to the IYDD, as well as for NGO participation in, and preparations for, UNCCD meetings and events.

#### F. Administrative and financial services

73. **Overview of the programme:** To assist the Executive Secretary in the planning, development, coordination, control and management of the secretariat's resources, and to provide adequate support to the work of the Conference of the Parties and its subsidiary bodies.

74. **Objective for the biennium:** Operations of the secretariat are managed effectively and efficiently in conformity with United Nations' rules and regulations, the financial regulations under the Convention and relevant administrative instructions and policies.

75. **Basis for the activities:** UNCCD article 23 and decision 2/COP.1 (see ICCD/COP(1)/11/Add.1).

#### 76. **Activities:**

- Monitoring and reporting on budget utilization for the biennium 2006–2007
- Preparation of budget allotments, monitoring and certification of expenditures
- Provision of efficient and effective logistics to facilitate intergovernmental negotiations and procurement
- Follow-up to core budget contributions and distribution of financial and substantive information on voluntary contributions to donors
- Articulation of common needs and possibilities for collaboration on various matters, including the United Nations campus
- Human resources management, including recruitment process in the secretariat, appraisal system and arrangements for staff training
- Provision of technical advice and support to information technology services
- Coordination of the work of external and internal auditors and preparation of responses to their findings
- Provision of travel services to staff and sponsored representatives, including ticketing and administration of advances and processing and payment of travel claims
- Monthly preparation of reconciliations for both payables and receivables to facilitate accounting process and regular review of outstanding obligations to ensure timely liquidation

77. **Expected outputs:** Enhanced management accountability, control and safeguard of secretariat assets. Budgets documents and management reports are accurately prepared and distributed in a timely manner. Financial information is provided in a timely manner and logistical support to the operations efficiently delivered. Adherence to applicable United Nations rules and regulations is guaranteed. Recruited staff are of high quality and gender balance and geographical distribution are considered. Financial data is correctly stated in the Integrated Management Information System (IMIS). Skills of staff are continuously reviewed and realigned to their work requirements through training. Working environment, in terms of both tools and space, is conducive to production of high quality work.

78. **Resource needs:**

Staff	Core:	One P-5, one P-4, one P-3, three GS	
		<u>US\$</u>	<u>EUR</u>
Staff costs		1,453,000	1,120,000
Consultancies		-	-
Travel		81,000	62,000
Staff insurance		85,000	65,000
Training and development		204,000	157,000
Contractual services		157,000	121,000
General operating expenses		855,000	658,000
Supplies and equipment		224,000	172,000
Joint facilities' management costs		<u>675,000</u>	<u>519,000</u>
<b>Total Administrative and financial services</b>		<u><u>3,734,000</u></u>	<u><u>2,874,000</u></u>

79. Programme support resource needs: One P-2, six GS

80. It is anticipated that the existing arrangement whereby the United Nations Office at Geneva (UNOG) provides human resource management services on a reimbursable basis will be maintained throughout the biennium. However, should this arrangement be terminated by UNOG during the course of the biennium, the secretariat will have to recruit staff at the appropriate level using programme support funds.

81. Staff insurance is for mandatory coverage throughout the United Nations system.

82. Training enables UNCCD staff to maintain their current competencies: language training in the official languages of the United Nations is a benefit available to all staff throughout the United Nations system.

83. General operating expenses are primarily denominated in Euros, and are mainly related to communications costs and similar items.

84. Supplies and equipment consist primarily of normal office supplies, a computer replacement programme (about one third of all UNCCD computers each year), and a software

upgrade programme (since much of the UNCCD software will no longer be supported by the manufacturers after 2006).

85. Joint facilities' management costs are those costs related to the running of the UNCCD premises, including utilities and costs associated with joint services shared by all of the United Nations organizations based in Bonn and located in Haus Carstanjen<sup>3</sup>.

#### G. Programme support costs

86. In accordance with the United Nations financial rules, UNCCD accounts are subject to a 13 per cent programme support charge on all actual expenditures incurred, payable to the United Nations for administrative services provided to the secretariat. A portion of this amount is returned to the secretariat to cover a portion of its own operating expenses incurred for the administrative services programme, in conformity with decision 4/COP.4 (see ICCD/COP(4)/11/Add.1).

87. On the basis of an expenditure level for the core budget of US\$ 11,740,000 (EUR 9,035,000) in 2006 and US\$ 11,844,000 (EUR 9,146,000) in 2007, the programme support charge is estimated at US\$ 1,394,000 (EUR 1,073,000) and US\$ 1,439,000 (EUR 1,107,000), respectively.

#### H. Working capital reserve

88. The COP, by its decision 23/COP.6, 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 (see ICCD/COP(6)/2/Add.1). The anticipated working capital reserve at the end of 2005 will be US\$ 714,000 (EUR 549,000).

#### I. Contribution of the host country to the core budget

89. In accordance with the terms of the offer of the Government of Germany to the secretariat, the Government of Germany will contribute EUR 511,292 each year to the secretariat in addition to its assessed contribution as a Party. This results in a reduction of the assessed contributions payable by other Parties in the amount of US\$ 667,000 for each year of the biennium at the US\$/EUR average official United Nations exchange rate for the period January-June 2005.

#### J. Costs associated with the move to the United Nations campus in Bonn

90. The Government of Germany has offered to provide the organizations of the United Nations system based in Bonn with alternative office premises located in the former buildings of the Parliament (Bundestag). On behalf of the Secretary-General of the United Nations and in his capacity as the designated representative for the implementation of the Premises Agreement between the United Nations and Germany, the Administrator of the United Nations Development Programme expressed to the relevant authority of the Government of Germany the appreciation

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<sup>3</sup> Haus Carstanjen is the name of the current premises of the UNCCD secretariat.

of the Bonn-based United Nations organizations for the decision to develop a United Nations campus for the permanent use of the organizations under a zero cost increase option.

91. A United Nations task force involving relevant German counterparts and representatives of the United Nations organizations reviewed the design and reconstruction of the new premises based on a joint planning exercise. It is the understanding of the United Nations organizations in Bonn that, during this biennium, the relocation and occupancy of the new offices will not affect the recurrent costs that organizations incur in the current premises, unless such costs relate to the allocation of additional space required to accommodate organizational growth. It is expected that the move of the secretariat to the new United Nations campus will take place in 2006. Parties should note that maintenance costs related to utilities (air conditioning, lifts, heating) and security are not yet assessed. The allocation of costs between the Government of Germany and the United Nations organizations concerned is still under review through consultation with all parties involved.

## VI. CONTINGENCY BUDGETS AND THE SPECIAL FUND FOR PARTICIPATION

Table 7. Estimates for contingency for conference servicing  
(in the event that the General Assembly decides not to include  
the sessions of the Conference of the Parties in its regular budget)  
(thousands of US\$/EUR)

Object of expenditure	2003		2005		2006–2007	
	US\$	EUR	US\$	EUR	US\$	EUR
<i>Exchange rate used</i>		<i>0.8569</i>		<i>1.085</i>		<i>1.2994</i>
United Nations meeting services	2,264	2,642	2,332	2,149	2,800	2,155
Overhead (13 per cent)	294	343	303	279	364	280
<b>Total resource requirements</b>	<b>2,558</b>	<b>2,985</b>	<b>2,635</b>	<b>2,428</b>	<b>3,164</b>	<b>2,435</b>

92. If the General Assembly decides not to include the sessions of the COP to the UNCCD in its regular budget calendar of meetings, the Parties would have to assume the costs of conference servicing.

93. It is assumed that COP 8 (which includes CST 8 and CRIC 6) will meet for a total of two consecutive weeks in 2007. Provision will be required for two weeks of conference 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\$ 3,164,000 (EUR 2,435,000).

94. In the event that the eighth session of the COP would be held in Bonn, an additional amount of US\$ 1,808,000 (EUR 1,391,000) will be required to cover costs relating to logistical arrangements, including renting of the conference venue, installing of communication systems

and contracting of local conference staff, provision of security systems and personnel, rental of equipment and supplies.

Table 8. Operating costs of holding the eighth session of the Conference of the Parties in Bonn  
(thousands of US\$/EUR)

Object of expenditure	Estimated expenditures for COP 8	
	2007	
	US\$	EUR
<i>Exchange rate used</i>		<i>1.2994</i>
Incremental costs	1,454	1,119
Contingencies	146	112
<b>Subtotal</b>	<b>1,600</b>	<b>1,231</b>
Overhead	208	160
<b>Total resource requirements</b>	<b>1,808</b>	<b>1,391</b>

95. Table 10 shows the estimated resources needed for the Special Fund for Participation in the biennium.

Table 9. Special Fund estimated resource requirements  
(thousands of US\$/EUR)

Object of expenditure	2006 - 2007	
	US\$	EUR
<i>Exchange rate used</i>		<i>1.2994</i>
Travel of representatives and participants in meetings		
CRIC 5	1,250	962
COP 8	1,342	1,033
Overhead	337	259
<b>Total resource requirements</b>	<b>2,929</b>	<b>2,254</b>

## VII. CONCLUSIONS AND RECOMMENDATIONS

### A. Conclusions

96. The present programme and budget proposal presents the work programme and resource requirements under the core budget, restoring full operational capacity at the level of approved staff. This proposal also presents the estimates for the Special Fund for Participation and provides an overview of the planned activities of each programme under the Supplementary Fund. More detailed information on the supplementary activities is contained in document ICCD/COP(7)/2/Add.2.

97. The main activities of the biennium 2006–2007 include the sessions of the COP and its subsidiary bodies; support for the preparation of reports on the implementation of the

Convention in regions other than Africa and other arrangements for the next review meetings; strengthening the scientific, thematic and synergistic aspects in the UNCCD implementation process, and activities relating to the International Year of Deserts and Desertification.

98. The factors that are external and independent of the activities of the secretariat, particularly the Euro-US dollar currency rate fluctuation, have significant impacts on the availability of resources under the budget. This has been demonstrated through the re-costing of the proposed budget. In order to address related budgetary concerns, including between the sessions of the COP, the present document provides analyses and suggestions on how to manage budgetary shortfalls.

#### B. Recommendations

99. The Conference of the Parties, at its seventh session, may wish:

(a) To approve a total programme and budget of US\$ 23,624,000 (EUR 18,185,000) for the biennium 2006–2007, for the purposes listed in table 3 above (not including the contingency items);

(b) To authorize the Executive Secretary to draw upon surplus funds from prior bienniums to fund the shortfalls that have arisen as a result of the appreciation of the Euro vs. the US\$ dollar during the current biennium, up to an amount of US\$ 1,500,000;

(c) To consider options presented by the secretariat on measures to be taken to protect the funds of the Convention against the adverse effects of exchange rate fluctuation;

(d) To authorize the secretariat to apply the scale of assessment to be adopted at the 60<sup>th</sup> session of the United Nations General Assembly;

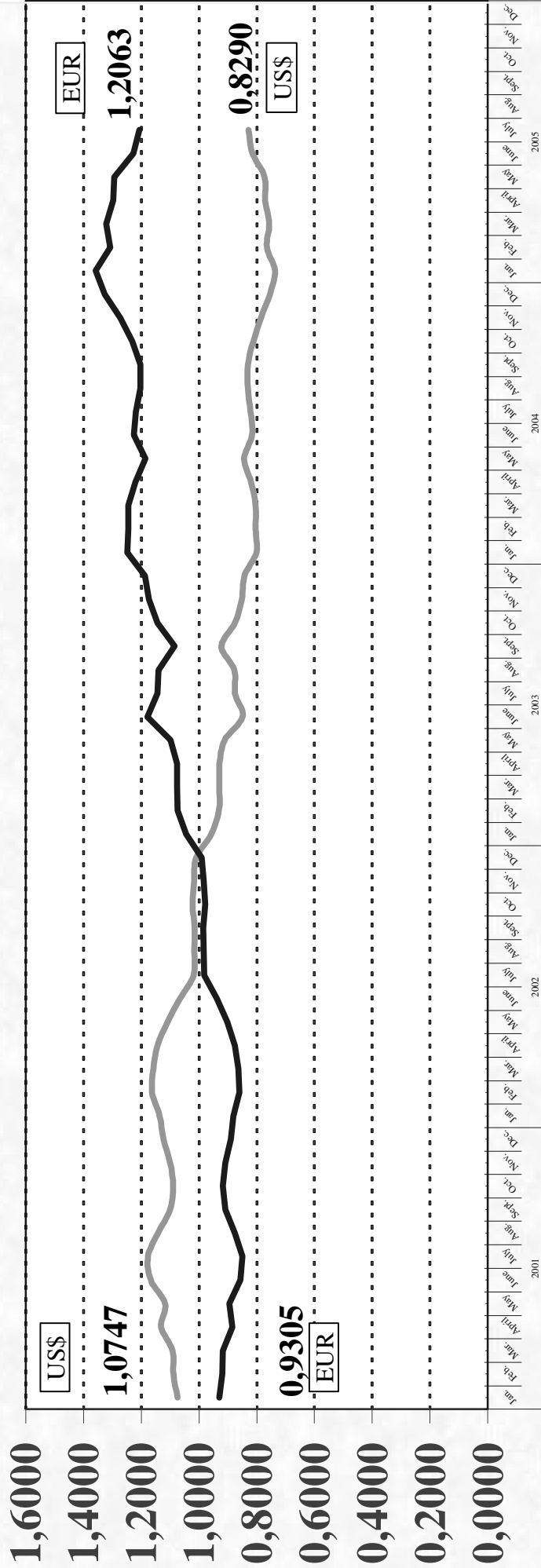
(e) To review cases of old outstanding balances of contributions and advise the secretariat on how to deal with this issue;

(f) To guide the secretariat on 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 2006–2007;

(g) To approve the proposed move to the United Nations campus facilities in Bonn provided it does not result in additional costs to the core budget of the secretariat.

Annex I

**EVOLUTION OF THE UNITED STATES DOLLAR AS COMPARED TO THE EURO - JANUARY 2001-JUNE 2005**



Note: This graph reflects values of the Euro and the US dollar at United Nations official exchange rates for each month of the period starting January 2001 and ending June 2005.

Annex II**CURRENCIES OF ASSESSMENT AND REPORTING AS USED BY  
VARIOUS ORGANIZATIONS BASED IN EUROPE**

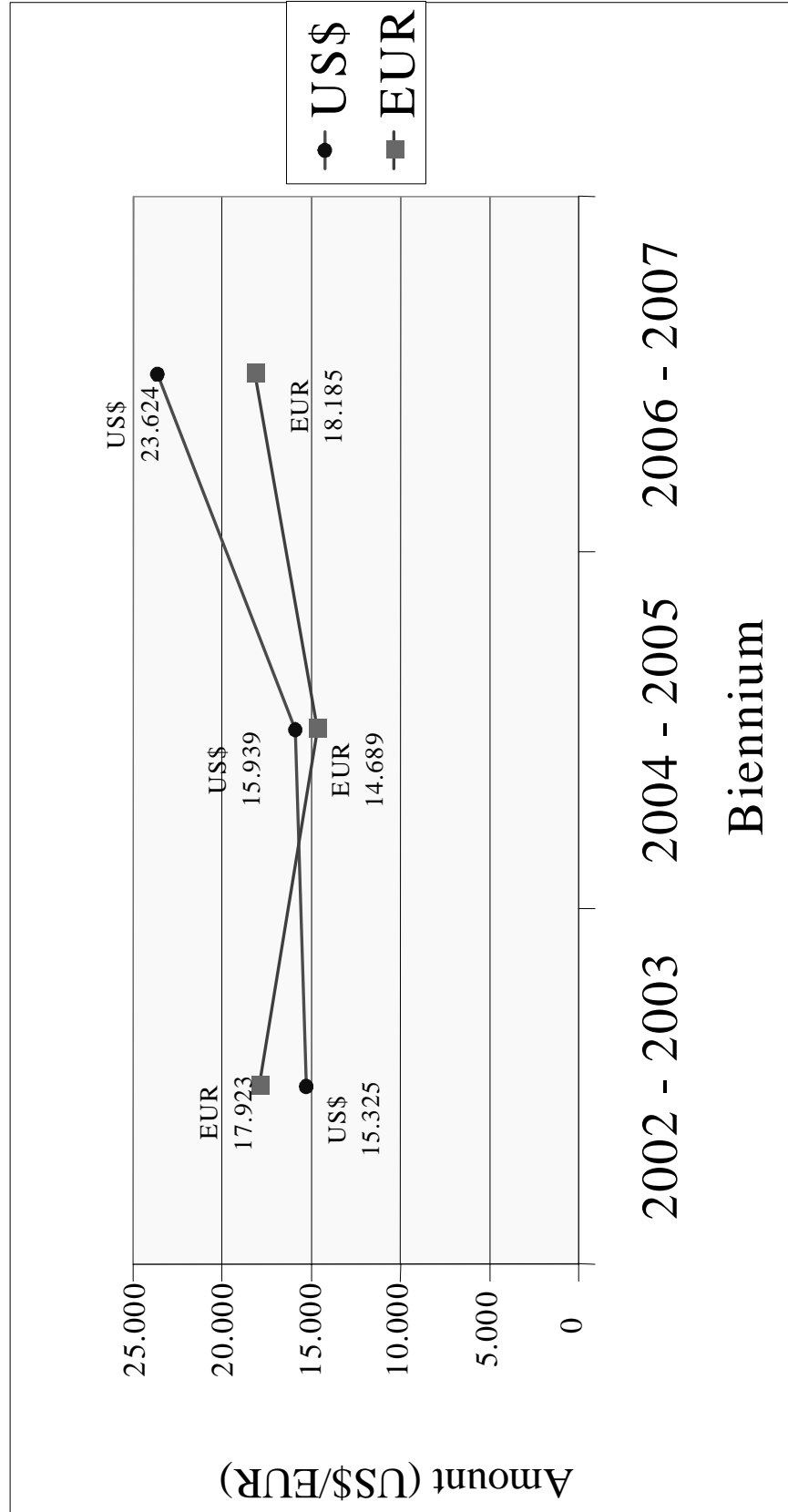
Over the years, there has been a move away from using the US dollar as the base currency of assessment and reporting by United Nations and other international organizations based in Europe. Adjustments taken by those organizations based in Europe are as follows:

<u>Organization</u>	<u>Currency of assessment</u>	<u>Currency of reporting</u>
ITLOS	EUR	EUR
UNIDO	EUR	EUR
ILO	CHF	US\$
IMO	GBP	GBP
ITU, UPU, WIPO, WMO	CHF	CHF
UNESCO	EUR/US\$	US\$
IAEA	EUR	US\$ (moving to EUR)
CTBTO	EUR/US\$	US\$
UNODC	EUR/US\$	US\$
FAO	US\$	US\$
OPCW	EUR	EUR
WHO	US\$ (moving to EUR)	US\$



Annex III

**BUDGET DEVELOPMENT (2002-2007) – UNITED STATES DOLLAR AND EURO  
(THOUSANDS OF US DOLLARS/EUROS)**



Annex IV

UNITED NATIONS OFFICIAL SALARY SCALE CHANGES DURING 2001 - 2005

