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Item 6 of the provisional agenda
Programme and budget

Programme and budget

Note by the secretariat*

Summary

Article 22, paragraph 2 (g), of the United Nations Convention to Combat Desertification calls on the Conference of the Parties (COP) to approve a programme and budget for its activities, including those of its subsidiary bodies, and to undertake necessary arrangements for their financing.

The present document provides a general overview of the programme and budget document, ICCD/COP(8)/2/Add.1–11, which is submitted for consideration by the COP at its eighth session in accordance with decision 23/COP.7 and other relevant decisions.

* The submission of this document was delayed due to the short time available between the fifth session of the Committee for the Review of the Implementation of the Convention and the eighth session of the Conference of the Parties.

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I. Background information

A. Mandate

1. Rule 10, paragraph (d), of the rules of procedure of the Conference of the Parties (COP) (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.

2. By its decision 23/COP.7, the COP requested the Executive Secretary to submit to the COP at its eighth session (COP 8) a programme and budget for the biennium 2008–2009. It requested the Executive Secretary to report at COP 8 on the performance of the Convention's trust funds in 2006 and 2007. Furthermore, it requested the Executive Secretary to prepare a report for the COP on the implications of results-based planning, programming and budgeting.

B. Scope of the report

3. This document, with its addenda, addresses the requests of the COP as outlined above. The addenda are organized as follows:

ICCD/COP(8)/2/Add.1	Programme and budget for the biennium 2008–2009
ICCD/COP(8)/2/Add.2	Programme and budget for the biennium 2008–2009 for the Global Mechanism
ICCD/COP(8)/2/Add.3	Programme and budget for the biennium 2008–2009. Supplementary Fund
ICCD/COP(8)/2/Add.4	Report on the performance of the Convention's trust funds in the biennium 2006–2007
ICCD/COP(8)/2/Add.5	Unaudited financial statements for the Convention's trust funds for the biennium 2006–2007 as at 31 December 2006
ICCD/COP(8)/2/Add.6	Audited financial statements for the Convention's trust funds for the biennium 2006–2007 for the years ended 31 December 2006 and 2005 (Global Mechanism)
ICCD/COP(8)/2/Add.7	Report on the performance of the trust fund for supplementary activities for the biennium 2006–2007
ICCD/COP(8)/2/Add.8	Audited financial statements for the Convention's trust funds for the biennium 2004–2005 as at 31 December 2005, including the report of the United Nations Board of Auditors
ICCD/COP(8)/2/Add.9	Audited financial statements for the Convention's trust funds for the biennium 2004–2005 for the years ended 31 December 2005 and 2004 (Global Mechanism)
ICCD/COP(8)/2/Add.10	Report on the status of contributions to the Convention's trust funds in the biennium 2006–2007
ICCD/COP(8)/2/Add.11	Report on the implications of results-based planning, programming and budgeting

II. Programme and budget for the biennium 2008–2009

A. Core budget

4. The proposed programme and budget for the biennium 2008–2009 reflects the provisions of the Convention and decisions of the COP. Whereas this submission does not anticipate the programmatic implications of the adoption by the COP of the ten-year strategic plan and framework to enhance the implementation of the Convention, it aims at maintaining the level of preparedness of the secretariat to follow up on strategic guidance from the COP that may result from the outcome of the Intergovernmental Intersessional Working Group.

5. Total resource requirements for the biennium 2008–2009, including programme support costs and working capital reserve, but excluding possible conference-servicing costs, are estimated at EUR 17,059,000 (USD 23,027,000) (EUR 8,386,000 for 2008 and EUR 8,673,000 for 2009). The proposed 2008–2009 programme and budget of the secretariat represents an increase of 19.43 per cent in euros and 37.84 per cent in United States dollars compared to the 2006–2007 budget. Resource requirements for the Global Mechanism represent an increase of 13.13 per cent in euros and 30.60 per cent in United States dollars (before overhead, working capital reserve and contribution from host country) compared to the 2006–2007 budget.

6. Two important factors account for most of the proposed increase:

- (a) The appreciation of the euro against the United States dollar, combined with the United Nations-wide adjustments of salary standards;
- (b) The funding of two formerly frozen GS positions, and of one new P-2 post in the area of service to the CST, is proposed. No post upgrades are proposed.

7. The main activities for the biennium 2008–2009 include the sessions of the COP and its subsidiary bodies; corporate review; translation of strategic guidance from Parties into the work of the Convention institutions; support to the adjustments brought to the Convention process including in-depth preparation for the next session of the Committee for the Review of the Implementation of the Convention (CRIC) with a revised agenda; strengthening of the scientific, thematic and synergistic aspects in the process of implementation of the Convention; and follow-up activities relating to the International Year of Deserts and Desertification (IYDD).

8. The secretariat will emphasize efforts to strengthen its support to many affected developing country Parties which are expected to solicit catalytic support at the national, subregional and regional levels as they face a range of challenges in the implementation process.

B. Supplementary Fund

9. In accordance with relevant decisions of the COP, the cost plans for the Supplementary Fund for the biennium 2008–2009 are submitted for consideration by Parties at COP 8.

10. In the light of the outcomes of the fifth and sixth sessions of the CRIC, activities to be undertaken under the Supplementary Fund would include those that may be decided upon by Parties at COP 8, but for which sufficient funding may not be available under the core budget.

11. Such activities are expected to include tasks relating to servicing the Convention bodies; policy advocacy and awareness raising in the aftermath of the IYDD; facilitation of priority implementation processes, including integration of UNCCD objectives into relevant regional, subregional and national development plans and strategies and promotion of the synergistic implementation of the Convention; and facilitation of knowledge management, including the evolving processes of monitoring and assessment and cooperation in the field of science and technology.

III. Performance reports

12. Document ICCD/COP(8)/2/Add.7 summarizes the financial performance of the Convention trust funds for the biennium 2006–2007, providing information on programme implementation and results achieved. Additional information is provided in document ICCD/COP(8)/2/Add.3 on the activities supported by the Supplementary Fund.

13. These reports present the expenditures as at 30 April 2007. Some indications are given also on the expected income and expenditures, as well as related activities, up to 31 December 2007.

IV. Audited financial statements for the Convention's trust funds for the biennium 2004–2005 as at 31 December 2005

14. Paragraph 20 of the financial rules of the COP, adopted by decision 2/COP.1, states: “The accounts and financial management of all funds governed by the present rules shall be subject to the internal and external audit process of the United Nations”.

15. In June 2006 the United Nations Board of Auditors completed its audit of the Convention's operations for the biennium 2004–2005 ended 31 December 2005, and conducted a management review of the administrative arrangements established by the secretariat. The auditors' fieldwork was completed in the summer of 2006 and the resulting report was received by the secretariat at the end of March 2007.

16. The objectives of the audit were:

(a) To enable the Board to form an opinion as to whether the expenditures recorded in the financial statements for the biennium 2004–2005 had been incurred for the purposes approved by the COP;

(b) To ascertain that income and expenditures were properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations;

(c) To verify that the Convention's financial statements presented fairly the financial position as at 31 December 2005;

(d) To evaluate the adequacy of the financial systems and internal controls;

(e) To examine the accounting records and other supporting evidence and determine the efficiency of the financial procedures, the internal financial controls and, in general, the administration and management of the Convention.

17. The report by the auditors, dated 19 February 2007, which is being submitted to the COP in its entirety in document ICCD/COP(8)/2/Add.8, indicates that the secretariat has conducted its operations in accordance with United Nations accounting standards and has established a sound financial basis. The report makes suggestions for continuous improvement of both the financial and the administrative management of the secretariat.

V. Conclusions and recommendations

18. As a result of its deliberations, the COP at its eighth session may wish:

(a) To approve a total programme and budget of EUR 17,059,000 (USD 23,027,000) for the biennium 2008–2009, for the purposes listed in table 3 of document ICCD/COP(8)/2/Add.1 (not including the contingency items);

(b) 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 fluctuations and provide guidance accordingly;

(c) To authorize the secretariat to apply the scale of assessment that was adopted at the sixty-first session of the United Nations General Assembly;

(d) To authorize the Executive Secretary to review in the 2008–2009 biennium the secretariat's structure and the allocation of posts in the light of the outcome of the ten-year strategic plan and framework to enhance the implementation of the Convention;

(e) To decide that the post of the Executive Secretary shall be at the level of Assistant Secretary-General;

(f) To authorize the Executive Secretary to change the staffing table as summarized in table 6 of document ICCD/COP(8)/2/Add.1;

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

(h) To guide the secretariat on how to proceed in the event that the General Assembly does not approve the funding of conference servicing costs recommended in the budget for 2008–2009;

(i) To guide the secretariat on how to proceed with respect to the changes in accounting that will be implemented United Nations-wide in 2010 and the changes that will be

necessary in the underlying accounting systems and records to fully implement euro accounting, budgeting and reporting in conjunction with these changes;

(j) To authorize a separate fund for the costs associated with adapting the new accounting system to euro accounting;

(k) To authorize the Executive Secretary to draw upon surplus funds from prior bienniums to fund the shortfall that may arise as the result of a sudden appreciation of the euro against the United States dollar during the remainder of the current biennium up to the amount of available reserves.
