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the Protection of the Ozone Layer

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FINANCIAL IMPLICATIONS OF THE IMPLEMENTATION OF THE  
CONVENTION FOR THE PROTECTION OF THE OZONE LAYER

Paper prepared by the UNEP secretariat

I. INTRODUCTION

1. Document UNEP/WG.78/4 deals briefly with the financial implications of the implementation of the convention for the protection of the ozone layer. The present paper discusses in more detail the financial implications of the implementation of the convention.
2. In view of the evolving nature of the activities envisaged under the system-wide medium-term environment programme concerning ozone matters, it would be appropriate and practical to include all ozone-related activities, both of a legal and of a technical nature, within a single secretariat operating under a single budget. In other words, ongoing UNEP projects such as the Co-ordinating Committee on the Ozone Layer (FP/1303-77-03) and the global ozone research and monitoring project, phase III (FP/1303-82-02) would become the responsibility of the secretariat for the convention for the protection of the ozone layer.
3. The work of the Co-ordinating Committee is described in document UNEP/WG.78/4, paragraphs 27-30. Phase III of the monitoring project, which will be completed in March 1985, was approved in April 1982 and is a continuation of the two earlier phases commenced in January 1977 and aimed at establishing the scientific and physical requirements for the World Plan of Action on the Ozone Layer, formulating and keeping up to date the statement on the ozone layer, and assisting in the inter-comparison of ozone measuring systems and the upgrading of ozone stations. The third phase is expected to complete the intensified observations and research on atmospheric processes, although research will need to continue on the biological and ecological consequences of increased doses of ultra-violet radiation and on the likelihood and possible consequences of any changes in climate which may result from human activities.

## II. BUDGET

4. A budget estimate covering the expenditures for the first two years of a convention secretariat with the above responsibilities prepared in United States dollars, is shown in table 1. For information, its three parts are also budgeted separately: secretariat support for the Convention (table 2), the work of the Co-ordinating Committee on the Ozone Layer (table 3), and the ozone monitoring and research project (table 4). The Co-ordinating Committee project is currently financed entirely from the Environment Fund. For the monitoring and research project, table 4 shows only the contribution from the Fund; the substantial support of WMO for the project is not reflected.

5. While the costs for the Co-ordinating Committee and the monitoring projects are based on existing budgets, the figures for the convention secretariat, and hence the over-all budget estimate, are more tentative, since the size and qualifications of the secretariat will have to reflect the actual and expected requirements as defined by the Contracting Parties, taking into account available financial resources.

6. The costs of implementation of the convention would comprise meeting costs (article 6) - Conference of the Contracting Parties; article 8 - scientific - technological advisory body/mechanism and secretariat costs (article 7). A binding obligation to contribute to meeting these costs can only be derived from the Convention (and its related annexes and/or protocols); hence, only the Contracting Parties would be obliged to cover the costs of those activities which derive from the provisions of the Convention (and its related annexes and/or protocols). The costs of other ozone-related activities will also have to be covered. States which are not (or not yet) Contracting Parties to the Convention may wish to make voluntary contributions to meeting part of the over-all costs, possibly, according to the apportionment to be determined by Contracting Parties for their own contributions.

7. International organizations may also be willing to continue supporting various ozone-related activities. If Governments should so wish, it is possible that some financial support for the first two years of the Convention, before contributions are received, could be obtained from the Environment Fund, which has up to now provided such support to the Co-ordinating Committee and the ozone monitoring project. No firm undertaking to provide support after agreement on a convention could be given by the Executive Director at this stage but, subject to the availability of resources in the Environment Fund, it could be envisaged that in the first year after the entry into force of the Convention UNEP might support the total programme at a level of \$250,000. It should be assumed, however, that this support, if forthcoming, would be progressively decreased and, as the Contracting Parties provide cash contributions, reduced to zero.

8. As discussed in document UNEP/WG.78/4, paragraphs 21 and 22, a trust fund could, subject to the consent of the Secretary-General, be established under United Nations auspices to finance the implementation of the convention. If

the present draft text (art. 7) were accepted, UNEP, as the organization responsible for carrying out the secretariat functions associated with the Convention, could be asked to administer such a trust fund. If the Secretary-General agreed to this request, the trust fund would necessarily have to be administered in accordance with the Financial Regulations and Rules of the United Nations <sup>1/</sup> as well as the General Procedures Governing the Operations of the Fund of UNEP. <sup>2/</sup> The annex to the present paper contains draft terms of reference for a fund to be established under this procedure.

9. The means of determining the proportion of the costs to be contributed by the various contributors remains a political decision to be taken by contributors themselves. In order to facilitate discussion, the secretariat presents the following options for consideration by the Working Group:

Option 1:

The United Nations scale of assessment adopted by General Assembly may be used as a basis for calculating the ratios to be applied in determining the contributions from each participating State, with the contributions of the regional economic intergration organizations - (Contracting Parties to the Convention) to be agreed upon by these organizations and the Contracting Parties;

Option 2:

A fixed percentage of the Trust Fund (such as 60 per cent) could be covered collectively by some of the Contracting Parties - developed States as well as regional integration organizations - in equal shares, with the remaining percentage being contributed by the other parties according to the United Nations assessment scale;

Option 3:

CFC - producing countries could pay the costs of the convention secretariat, decided by the Conference of the Contracting Parties by negotiation. Whether or not this alternative is followed, it is clearly desirable that all CFC-producing countries become Contracting Parties to the Convention;

Option 4

Proportional funding by groups of countries could be employed, the individual contribution of any donor within each group to be decided by negotiation among the donors concerned.

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1/ ST/SGB/Financial Rules II/Rev.2 (1978).

2/ Legislative and Financial Texts Regarding UNEP and the Environmental Fund, No. 75/2381 (February 1976).

It should be stressed that the above options are presented simply to provoke discussion by the Working Group, and are not intended to be a comprehensive list of ways of financing the implementation of the convention. In particular, members may also wish to consider whether countries producing CFCs should pay a larger proportion of the costs whatever basis is used for the apportionment of contributions.

10. The Contracting Parties may wish to finance the implementation of the Convention and the other ozone - related activities independently of the United Nations procedures, under financial regulations to be established by them. In this case, since UNEP would not be permitted under United Nations regulations to manage any form of fund other than one established under those procedures, they would need to designate some entity other than UNEP to provide secretarial services. If this course of action were to be decided upon, the management of the resources for the implementation of the convention could be entrusted by the Contracting Parties:

- To the organization designated to co-ordinate the implementation of the Convention under the supervision of the Governments participating in it;
- To any Contracting State;
- To an independent financial institution.

Table 1

Secretariat for the convention for the protection of the Ozone Layer  
over-all budget estimate

1000 PROJECT PERSONNEL COMPONENT		1st Year		2nd Year		Total
1100 Project personnel			\$		\$	\$
1101	General Secretary/Legal Officer (1 P-5)	12w/m	85,000	12w/m	85,000	170,000
1102	Scientist (1 P-4/06)	12w/m	70,500	12w/m	70,500	141,000
1103	Administrative Officer (1 P-1/2)	12w/m	47,500	12w/m	47,500	95,000
1200	Consultants (Fees, Travel, DSA)	4w/m	30,000	4w/m	30,000	60,000
1300 Administrative support						
1301	Administrative Assistant (1 G-9)	12w/m	15,100	12w/m	15,100	30,200
1302	Secretaries (2 G-7)	24w/m	26,300	24w/m	26,300	52,600
1600	Travel on Official business		15,000		20,000	35,000
1999	Component Total		<u>289,400</u>		<u>294,400</u>	<u>583,800</u>
30 MEETINGS COMPONENT <sup>a/</sup>						
3202 Meetings/Conferences etc.						
- Scientific/technical advisory (2 per year) CCOL <sup>b/</sup>			60,000		60,000	120,000
- Conference of the Parties			71,000		71,000	142,000
- Expert working group meetings			24,000		24,000	48,000
3299	Component total		<u>155,000</u>		<u>155,000</u>	<u>310,000</u>
40 EQUIPMENT COMPONENT						
4100	Expendable equipment (supplies, material, including leasing of equipment etc.)		2,000		2,000	4,000
4200	Non-expendable equipment (Furniture and equipment)		8,000		4,000	12,000
4300	Premises (rent)		20,000		20,000	40,000
4999	Component total		<u>30,000</u>		<u>26,000</u>	<u>56,000</u>
50 MISCELLANEOUS COMPONENT						
5100	Operation and maintenance of equipment		1,000		1,500	2,500
5200	Reporting costs		8,000		10,000	18,000
5300	Sundry		3,000		3,000	6,000
5999	Component total		<u>12,000</u>		<u>14,500</u>	<u>26,500</u>
99	GRAND TOTAL:		<u>485,400</u>		<u>489,900</u>	<u>975,300</u>
Estimated cost of the Global ozone research and monitoring project			50,500		50,500	101,000
TOTAL ESTIMATED BUDGET			<u>536,900</u>		<u>540,400</u>	<u>1,077,300</u>

<sup>a/</sup> In preparing the cost estimates, it was assumed that meetings of the Conference of the Contracting Parties will have interpretation and documentation in five working languages, and the expert group meetings in four languages.

<sup>b/</sup> The annual estimated cost of the Co-ordinating Committee on the Ozone Layer Project is \$44,000, as shown in table 3.

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Table 2

Secretariat for the Convention for the Protection of the Ozone Layer

Budget Estimate for Secretariat support

1000 PROJECT PERSONNEL COMPONENT

1100	<u>Project Personnel</u>		<u>1st Year</u>		<u>2nd Year</u>	<u>Total</u>
			\$		\$	\$
1101	General Service/Legal Officer (1 P-5)	12w/m	85,000	12w/m	85,000	170,000
1102	Scientist (1 P-4/06)	12w/m	70,500	12w/m	70,500	141,000
1103	Administrative Officer (1 P-1/2)	12w/m	47,500	12w/m	47,500	95,000
1200	Consultants (Fee Travel, DSA)	4w/m	30,000	4w/m	30,000	60,000
1300	<u>Administrative Support</u>					
1301	Administrative Assistant (1 G-9)	12w/m	15,000	12w/m	15,100	30,200
1302	Secretaries (2 G-7)	24w/m	26,300	24w/m	26,300	52,600
1600	Travel on official business		15,000		20,000	35,000
1999	Component total		<u>289,400</u>		<u>294,400</u>	<u>583,800</u>

30 MEETINGS COMPONENT

3202	Meetings/Conferences etc					
	- Scientific. Technical Advisory (2 per year)		16,000 <sup>a/</sup>		16,000 <sup>a/</sup>	32,000
	- Conference of the Parties		71,000		71,000	142,000
	- Expert working group meetings		24,000		24,000	48,000
3299	Component total		<u>111,000</u>		<u>111,000</u>	<u>222,000</u>

40 EQUIPMENT COMPONENT

4100	Expendable Equipment (supplies, material, including leasing of equipment etc)		2,000		2,000	4,000
4200	Non-Expendable Equipment (Furniture and equipment)		8,000		4,000	12,000
4300	Premises (rent)		20,000		20,000	40,000
4999	Component total		<u>30,000</u>		<u>26,000</u>	<u>56,000</u>

50 MISCELLANEOUS COMPONENT

5100	Operation and maintenance of equipment		1,000		1,500	2,500
5200	Reporting costs		8,000		10,000	18,000
5300	Sundry		3,000		3,000	6,000
5999	Component total		<u>12,000</u>		<u>14,500</u>	<u>26,500</u>

99	GRAND TOTAL		442,400		445,900	888,300
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<sup>a/</sup> This amount represents the additional cost if the Co-ordinating Committee is to be expanded to act as the proposed Scientific/Technical Advisory Body.

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Table 3

Estimated Annual Budget for the Co-ordinating  
Committee on the Ozone Layer

(FP/1303-77-03 (1359))

3.4 Budget

10	PROJECT PERSONNEL COMPONENT	<u>Dollars</u>
1100	<u>Project personnel</u> 1101 Expert	-
1200	<u>Consultants</u> 1201 Consultants	18,000
1300	<u>Administrative support</u> 1301 Senior Administrative Assistant	12,000
1600	<u>Travel on official business</u>	<u>10,000</u>
1999	Component total	<u>40,000</u>
50	MISCELLANEOUS COMPONENT	
5200	Reporting costs	3,000
5300	Sundry	
5304	Other	<u>1,000</u>
5999	Component total	4,000
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99	GRAND TOTAL	44,000
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Table 4

Average annual budget for the global ozone research  
and monitoring project - Phase III  
(FP/1303-82-02-2311)

10	PROJECT PERSONNEL COMPONENT	<u>Dollars</u>
1100	Experts and consultants	
1101	Experts and consultants	14,000
1300	Administrative support personnel	-
1600	Travel on official business	<u>4,000</u>
1999	Component total	<u>18,000</u>
30	TRAINING COMPONENT	
3200	Group training and meetings	<u>18,000</u>
3999	Component total	<u>18,000</u>
50	MISCELLANEOUS COMPONENT	
5100	Operation and maintenance of equipment	11,500
5200	Reporting costs	1,000
5300	Sundry	<u>2,000</u>
5999	Component total	<u>14,500</u>
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99	GRAND TOTAL	50,500
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TERMS OF REFERENCE FOR THE ADMINISTRATION OF THE TRUST FUND FOR  
THE CONVENTION FOR THE PROTECTION OF THE OZONE LAYER

1. The Trust Fund for the Convention for the Protection of the Ozone Layer (hereinafter referred to as the Trust Fund) shall be established and continued for a period of two years from... to provide financial support for the aims of the Convention as determined by the signatories thereto.
2. The Trust Fund shall be established subject to the consent of the Secretary-General of the United Nations in accordance with financial regulation 6.6. of the United Nations and article V of the General Procedures Governing the Operations of the Fund of the United Nations Environment Programme.
3. The Executive Director of the United Nations Environment Programme shall, subject to the consent of the Governing Council and the Secretary-General of the United Nations be responsible for the administration of the Trust Fund.
4. The Trust Fund shall be administered by the Executive Director in accordance with the financial rules and regulations of the United Nations relating to trust funds, as laid down by the Secretary-General from time to time, and with the General Procedures Governing the Operations of the Fund of UNEP.
5. The administration of the Trust Fund shall involve no financial implications for the regular budget of the United Nations, and a deduction for reimbursement of United Nations programme support costs shall be made from the Trust Fund each year at the standard percentage shall be charged against the level of expenditure incurred in connexion with the financial support to the aims of the Convention.
6. The expenditures of the Trust Fund shall be financed from agreed contributions made by the States parties to the Convention and in accordance with the decisions on financial arrangements adopted by the Conference of the Contracting Parties. Contributions from States that become signatories after the beginning of the financial period shall be made on a pro-rata basis for the balance of the financial period.

No commitments from the Trust Fund shall be made in advance if the receipt of contributions, and none shall be made before a minimum of US\$250,000 has been contributed to the Trust Fund.

7. All contributions shall be paid in fully convertible United States dollars. Contributions shall be paid in annual instalments due on the first day of January of the year to which such contributions refer. Contributions shall be paid into the following account:

Account No. 015-002756 UNEP General Trust Funds Account  
Chemical Bank, United Nations Branch  
New York, N.Y. 10017

indicating the purpose of payment Ozone Trust Fund.

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8. Contributions received into the Trust Fund and not immediately required to finance activities shall be invested at the discretion of the United Nations, and any income shall be credited to the Trust Fund.

9. The budget estimates covering the income and expenditure for each of the two calendar years constituting the financial period to which they relate, prepared in United States dollars, as well as the work plan for the same period, shall be submitted to the annual intergovernmental meetings of the States signatories to the Convention.

10. Annual reports on the administration of the Trust Fund shall be submitted by the Executive Director to the annual intergovernmental meetings of the States signatories to the Convention.

11. These terms of reference shall be effective for the financial period 1 January 1983 to 31 December 1981.

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