

Distr.
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Ad Hoc Working Group of Legal and
Technical Experts for the
Elaboration of a Global Framework
Convention for the Protection of
the Ozone Layer

Second session

Geneva, 10-17 December 1982

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

Paper prepared by the UNEP Secretariat

1. Document on Institutional arrangements for a Convention for the Protection of the Ozone Layer (UNEP/WG.78/4, 6 September 1982) prepared by the UNEP Secretariat for the second session of the Ad Hoc Working Group of Legal and Technical Experts for the Elaboration of a Global Convention on the Ozone Layer is in principle dealing with financial implications of the implementation of this Convention. (Paragraphs 12, 19, 20, 21, 22, 23 and 35; please find attached also to that document as Annex Terms of reference for the administration of the Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora).

This paper should highlight some financial implications of the implementation of the Convention for Contracting Parties as well as for UNEP Secretariat.

2. In the attached to this paper as Annex I, Budget Estimate for the Secretariat for the Convention for the first two years of their implementation you can find the illustrative figures for Project Personnel Component, ~~Staff on the Secretariat~~ Equipment Component, Miscellaneous Component as well as Training Component which includes the costs for the meetings of the scientific/technological advisory body/mechanisms plus CCOL meeting costs, ~~Expert Working Group Meetings~~ and the meetings of the Conference of the Contracting Parties. Accordingly all costs for ozone programme in UNEP will be covered by the budget.

These figures are presented for discussion purposes. The size and qualification of the Secretariat personnel should reflect the actual and expected needs for the Convention as defined by the Contracting Parties, taking into account the available financial resources. In preparing the cost estimates of the meetings it was assumed that the Conference of the Contracting Parties meetings will be convened in five working languages (Arabic, English, French, Russian and Spanish) the expert group meetings in four languages (English, French, Spanish and Russian), and that the working documents of these meetings will be available in the working languages of the meetings.

3. The World Plan of Action on the Ozone Layer (UNEP/WG.7/25/Rev.1) contains a recommendation for the encouragement and support of the co-ordinated research and monitoring programme initiated by the World Meteorological Organization. The project, 'The Global Ozone Research and Monitoring' (FP/1303-82-02), is supported by UNEP and has the purpose of clarifying the basic dynamical, photochemical and radiative aspects of the ozone layer and evaluating the impact of man's activities on the ozone balance.

Phase III of this 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 the necessary task of intercomparison of ozone measuring systems and upgrading ozone stations.

The Third Phase is expected to complete the period of intensified observations and research, although research will need to continue on the biological and ecological consequences of increased doses of UV-radiation and on the consequences of any changes in climate which may result from human activities.

It is suggested in Annex I that, in view of the expanding nature of the activities within UNEP 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 within a single and homogeneous budget line. Therefore, ongoing UNEP activities such as 'The Global Ozone Research and Monitoring Project, Phase III' (FP/1303-82-03) and 'The Co-ordinating Committee on the Ozone Layer' (FP/1303-77-03) should transfer to the control of a UNEP secretariat for the convention for the protection of the ozone layer, as outlined within the Budget document.

4. Costs of the implementation of the convention could be met from two sources:

- Ozone Trust Fund composed of assessed contributions from the Contracting Parties to the Convention for the Protection of the Ozone Layer and of voluntary contributions from those States that are not Contracting Parties to the Convention;

- Voluntary contributions from the States and international organizations.

5. One alternative for the budgetary/financial requirements for the implementation of the Convention is the establishment by the Conference of the Contracting Parties of a Voluntary Trust Fund in accordance with the Financial Regulations and Rules of the United Nations. (Paragraph 21, 22 of the document UNEP/WG.78/4). It is possible that some assistance from the Environment Fund could be approved in the initial stage.

The Ozone Trust Fund

All Parties which benefit from the Ozone Convention should contribute towards the cost of their implementation. However, a binding obligation to contribute to the Fund can only be derived from the Convention (and its related annexes and/or protocols), then it follows that only the Contracting Parties are obliged to cover the costs of those activities which derive from the provisions of the Convention (and its related annexes and/or protocols) while States which are not (yet) Contracting Parties may wish to make voluntary contributions to the Ozone Trust Fund.

It can exist the possibility that the States which are not (yet) Contracting Parties can contribute to the Ozone Trust Fund on a voluntary basis according to the same scale of assessment which is to be applied to the Contracting Parties.

The means for assessing the proposition of the Fund to be contributed by the various contributors remains a political decision to be taken by contributors themselves.

Contributions to the Trust Fund

There are many possible ways to determine the level of contributions of the participating States to the Trust Fund. In order to facilitate the discussions, the Secretariat proposed the following alternatives:

Alternative 1:

The use of the United Nations scale of assessment adopted by General Assembly may be considered an appropriate basis for the ratios to be applied in determining the contributions from each participating State; the contribution of the regional economic integration organizations - (Contracting Parties to the Convention) to be agreed upon these regional economic integration organizations and the Contracting Parties. (Annex II).

Alternative 2:

A fixed percentage of the Trust Fund (such as 50%) to be covered by the Contracting Parties - States as well as the regional integration organizations in equal shares. The remaining percentage to be contributed according to the United Nations assessment scale; the regional integration organizations contribution will be determined in the consultation with these organizations;

Alternative 3

"CFC's producing countries pay"; the contribution to be decided by Conference of the Contracting Parties by negotiation. It should be desirable that all CFC's producing countries become the Contracting Parties to the Convention.

Alternative 4

Proportional funding by some groupings; the individual contribution of any donor within each group to be decided by negotiation among the donors concerned. It should be stressed that all the alternatives are presented as proposals to provoke discussion by the experts. In particular countries producing CFC's could pay larger proportion of the costs.

The costs to be met by the Ozone Trust Fund:

- 1) Meeting Costs (Article 6 - Conference of the Contracting Parties; Article 8 - ~~X~~Scientific - technological advisory body/mechanism)
- 2) Secretariat Costs (Article 7)

Administration of the Trust Fund

As the organization responsible for carrying out the secretariat functions associated with the Convention (Article 7) UNEP could be asked to administer to the Ozone Trust Fund. ^{However,} as an integral part of the United Nations, UNEP is obligated to follow the "Financial regulations and Rules of the United Nations* as well as the "General Procedures Governing the Operations of the Fund of the UNEP".**

Draft terms of reference attached.

6. Second alternative for the budgetary/financial requirement is that Parties to the Convention agree to establish a Fund of their own directed by the Secretariat and their own rules of procedure. In such alternative how to manage the financial resources of the Convention must be decided by the Contracting Parties contributing to the budget; the management of these resources may be entrusted:

- 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.

* Doc. ST/SCGB/Financial Rules II/Rev.2 (1978)

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

Secretariat for the Convention for the Protection of the Ozone Layer
Budget Estimate

1000 PROJECT PERSONNEL COMPONENT

		1st Year		2nd Year	Total
		\$		\$	\$
1100 Project Personnel					
1101 Secretary-General/Legal Officer (1 P-5)	12w/m	85,000 ^{1/}	12w/m	85,000 ^{1/}	170,000
1102 Scientist	12w/m	70,500 ^{1/}	12w/m	70,500 ^{1/}	141,000
1103 Administrative Officer	12w/m	47,500 ^{1/}	12w/m	47,500 ^{1/}	95,000
1200 Consultants (Fee, 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 ^{2/}	12w/m	15,100 ^{2/}	30,200
1302 Secretaries (2 G-7)	24w/m	26,300 ^{2/}	24w/m	26,300 ^{2/}	52,600
1600 Travel on Official Business		15,000		20,000	35,000
1999 Component Total		289,400		294,400	583,800

30 TRAINING COMPONENT

3202 Meetings/Conferences etc.					
-Scientific/Technical Advisory meetings/CCOL ^{3/} (2 per year)		60,000		60,000	120,000
- Conference of the Parties		71,000		71,000	142,000
- Experts Working Groups meetings		24,000		24,000	48,000
3299 Component Total		155,000		155,000	310,000

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 ^{4/}		20,000 ^{4/}	40,000
4999 Component Total		30,000		26,000	56,000

50 MISCELLANEOUS COMPONENT

5100 Operation and Maintenance of equipment		1,000		1,500	2,500
5200 Reporting Costs		8,000		10,000	18,000
9300 Sundry		3,000		3,000	6,000
5999 Component Total		12,000		14,500	26,500

99 GRAND TOTAL 486,400 489,900 976,300

Estimated Cost of the Global Ozone Research and Monitoring Project

	75,000	75,000	150,000
	561,400	564,900	1,124,300

^{1/}Base salary plus P/Adj, Ass. All., D/All. (3 dependants), Med. Subs, P/Fund (14%), Education Gr., A/Leave, travel to and from duty station on recruitment and separation minus S.Ass. and S/Ass: A/Leave (since this estimation is for two years home leave is not included).

^{2/}Base salary plus D./All. (5 dependants), P/Fund (14%) and A/Leave minus S/Ass. and S/Ass.: A/Leave.

^{3/}The cost of convening a Meeting of the Co-ordinating Committee on the Ozone Layer (CCOL) is US \$ 25,000.

^{4/}This includes basic support services : accommodation, lighting, heating, clearing and maintenance

3.4 Budget (in US\$)

	CC	1981 NCC	Total
10 <u>PROJECT PERSONNEL COMPONENT</u>			
1100 <u>Experts and Consultants</u>			
1101 Experts and Consultants	26,425	-	26,425
1300 Administrative Support Personnel	-	-	-
1600 Travel on Official Business	2,541	-	2,541
1999 Component Total	28,966	-	28,966
30 <u>TRAINING COMPONENT</u>			
3200 Group Training and Meetings	12,202	18,697	30,899
3999 Component Total	12,202	18,697	30,899
50 <u>MISCELLANEOUS COMPONENT</u>			
5100 Operation and Maintenance of Equipment	16,894	-	16,894
5200 Reporting Costs	-	-	-
5300 Sundry	179	-	179
5999 Component Total	17,073	-	15,000
99 GRAND TOTAL	58,241	18,697	76,938

* Actual expenditure

PCOL

3.4 Budget		1977	w/m	1978	w/m	1979	w/m	1980	w/m	1981	w/m	1982	1983	Total
		\$		\$		\$		\$		\$		\$	\$	\$
10	<u>PROJECT PERSONNEL COMPONENT</u>													
	1100 <u>Project Personnel</u>													
	1101 Expert	-	2	500		-		-		-		-	-	
	1200 <u>Consultants</u>													
	1201 Consultants	-		-		-	1	3,220		149	3	18,000	7,724	
	1300 <u>Administrative Support</u>													
	1301 Senior Administrative Assistant	-		-		-	12	11,291	12	11,806	12	12,000	194	
	1600 <u>Travel on Official Business</u>													
	1698 Prior year adjustment	-		8,946		9,133		13,425		7,875		10,000	-	
	1699 Total	-		-		-		-		(748)		-	-	
	1999 Component Total	-		8,946		9,133		13,425		7,127		10,000	-	
10	<u>MISCELLANEOUS COMPONENT</u>													
	5200 <u>Reporting Costs</u>	-		1,566		1,245		1,922		715		3,000	2,285	
	5300 <u>Sundry</u>													
	5304 Other	-		1,407		-		617		-		1,000	1,013	
	5398 Prior year adjustment	-		-		-		-		(13)		-	-	
	5399 Total	-		1,407		-		617		(13)		1,000	1,013	
	5999 Component Total	-		2,973		1,245		2,539		702		4,000	3,298	
99	GRAND TOTAL	5,993*		12,419*		10,378*		30,475*		19,784*		44,000	11,216	134,26

* Actual expenditure

Jan - June \$ 5, 879 spent

PCOL Meeting Cost: \$ 25,00

ALTERNATIVE I

	Scale of Assessment for UN General Assembly %	Annual Share * US\$
AFGHANI STAN	00.01	56.50
ALBANIA	00.01	56.50
ALGERIA	00.12	678.00
ANGOLA	00.01	56.50
ARGENTINA	00.78	4,407.00
AUSTRALIA	01.83	10,339.50
AUSTRIA	00.71	4,011.50
BAHAMAS	00.01	56.50
BAHRAIN	00.01	56.50
BANGLADESH	00.04	226.00
BARBADOS	00.01	56.50
BELGIUM	01.22	6,893.00
BENIN	00.01	56.50
BIUTAN	00.01	56.50
BOLIVIA	00.01	56.50
BOTSWANA	00.01	56.50
BRAZIL	01.27	7,175.50
BULGARIA	00.16	904.00
BURMA	00.01	56.50
BURUNDI	00.01	56.50
BYELORUSSIAN SSR	00.39	2,203.50
CANADA	03.28	18,532.00
CAPE VERDE	00.01	56.50
CENTRAL AFRICAN REPUBLIC	00.01	56.50
CHAD	00.01	56.50
CHILE	00.07	395.50
CHINA	01.62	9,153.00
COLOMBIA	00.11	621.50
COMORES	00.01	56.50
CONGO	00.01	56.50
COSTA RICA	00.02	113.00
CUBA	00.11	621.50
CYPRUS	00.01	56.50
CZECHOSLOVAKIA	00.83	4,689.50
DEMOCRATIC KAMPUCHEA	00.01	56.50
DEMOCRATIC YEMEN	00.01	56.50
DENMARK	00.74	4,181.50
DJIBOUTI	00.01	56.50
DOMINICA	00.01	56.50
DOMINICAN REPUBLIC	00.03	169.50

* Based on budget estimate as shown in Annex I.

Scale of Assessment
for UN General
Assembly
%

Annual Share

Country	Scale of Assessment (%)	Annual Share
ECUADOR	00.02	113.00
EGYPT	00.07	375.50
EL SALVADOR	00.01	56.50
EQUATORIAL GUINEA	00.01	56.50
ETHIOPIA	00.01	56.50
FIJI	00.01	56.50
FINLAND	00.48	2,712.00
FRANCE	06.26	35,369.00
GABON	00.02	113.00
GAMBIA	00.01	56.50
GERMAN DEMOCRATIC REPUBLIC	01.39	7,853.50
GERMANY, FEDERAL REPUBLIC OF	08.31	46,951.50
GHANA	00.03	169.50
GREECE	00.35	1,977.50
GRENADA	00.01	56.50
GUATEMALA	00.02	113.00
GUINEA	00.01	56.50
GUINEA-BISSAU	00.01	56.50
GUYANA	00.01	56.50
HAITI	00.01	56.50
HONDURAS	00.01	56.50
HUNGARY	00.33	1,864.50
ICELAND	00.03	169.50
INDIA	00.60	3,390.00
INDONESIA	00.16	4,294.00 904
IRAN	00.65	3,672.50
IRAQ	00.12	678.00
IRELAND	00.16	904.00
ISRAEL	00.25	1,412.50
ITALY	03.45	19,492.50
IVORY COAST	00.03	169.50
JAMAICA	00.02	113.00
JAPAN	09.58	54,127.00
JORDAN	00.01	56.50
KENYA	00.01	56.50
KUWAIT	00.20	1,130.00
LAO PEOPLE'S DEMOCRATIC REPUBLIC	00.01	56.50
LEBANON	00.03	169.50
LESOTHO	00.01	56.50
LIBERIA	00.01	56.50
LIBYAN ARAB JAMAHIRIYA	00.23	1,299.50
LUXEMBOURG	00.05	282.50
MADAGASCAR	00.01	56.50
MALAWI	00.01	56.50
MALAYSIA	00.09	508.50

MALDIVES	00.01	56.50
MALI	00.01	56.50
MALTA	00.01	56.50
MAURITANIA	00.01	56.50
MAURITIUS	00.01	56.50
MEXICO	00.76	4,294.00
MONGOLIA	00.01	56.50
MOROCCO	00.05	282.50
MOZAMBIQUE	00.01	56.50
NEPAL	00.01	56.50
NETHERLANDS	01.63	9,209.50
NEW ZEALAND	00.27	1,525.50
NICARAGUA	00.01	56.50
NIGER	00.01	56.50
NIGERIA	00.16	904.00
NORWAY	00.50	2,825.50
OMAN	00.01	56.50
PAKISTAN	00.07	395.50
PANAMA	00.02	113.00
PAPUA NEW GUINEA	00.01	56.50
PARAGUAY	00.01	56.50
PERU	00.06	339.00
PHILIPPINES	00.10	565.00
POLAND	01.24	7,006.50
PORTUGAL	00.19	1,073.50
QATAR	00.03	169.50
ROMANIA	00.21	1,186.50
RWANDA	00.01	56.50
SAINT LUCIA	00.01	56.50
SAINT VINCENT AND THE GRENADINES	00.01	56.50
SAMOA	00.01	56.50
SAO TOME AND PRINCIPE	00.01	56.50
SAUDI ARABIA	00.58	3,277.50
SENEGAL	00.01	56.50
SEYCHELLES	00.01	56.50
SIERRA LEONE	00.01	56.50
SINGAPORE	00.08	452.00
SOLOMON ISLANDS	00.01	56.50
SOMALIA	00.01	56.50
SOUTH AFRICA	00.42	2,373.00
SPAIN	01.70	9,605.00
SRI LANKA	00.02	113.00
SUDAN	00.01	56.50
SURINAME	00.01	56.50
SWAZILAND	00.01	56.50

Report of the Secretary
 for the General
 Assembly

Annex 1

SWEDEN	01.31	7,401.50
SYRIAN ARAB REPUBLIC	00.03	169.50
THAILAND	00.10	56.50 56.50
TOGO	00.01	56.50
TRINIDAD AND TOBAGO	00.03	169.50
TUNISIA	00.03	169.50
TURKEY	00.30	1,695.00
UGANDA	00.01	56.50 56.50
UKRAINIAN SSR	01.46	8,249.00
UNION OF SOVIET SOCIALIST REPUBLICS	11.10	62,715.00
UNITED ARAB EMIRATES	00.10	56.50
UNITED KINGDOM	04.46	25,199.00
UNITED REPUBLIC OF CAMEROON	00.01	56.50
UNITED REPUBLIC OF TANZANIA	00.01	56.50
UNITED STATES OF AMERICA	25.00	141,250.00
UPPER VOLTA	00.01	56.50
URUGUAY	00.04	226.00
VENEZUELA	00.50	2,825.00
VIET NAM	00.03	169.50
YEMEN	00.01	56.50
YUGOSLAVIA	00.42	2,373.00
ZAIRE	00.02	113.00
ZAMBIA	00.02	113.00
ZIMBABWE	00.02	113.00
	<u>100.04</u>	<u>565,226.00</u>

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, subject to the consent of the Secretary-General of the United Nations be established in accordance with financial regulation 6.6 of the United Nations and Article V of the General Procedures governing the Operations 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 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 approved by the General Assembly for such reimbursements. The percentage shall be charged against the level of expenditure incurred in connection 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 party to the Convention and in accordance with the decisions on financial arrangements adopted by the 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 installments 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

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 198. to 31 December 198..