Draft decision XI/[AA]: Financial reports and budgets for the Vienna Convention

*The Conference of the Parties decides:*

*Recalling* decision X/4 on financial reports and budgets for the Vienna Convention for the Protection of the Ozone Layer,

*Taking note* of the financial report on the Trust Fund for the Vienna Convention for the fiscal year 2016,[[1]](#footnote-1)

*Recognizing* that voluntary contributions once agreed are an essential complement for the effective implementation of the Vienna Convention,

*Welcoming* the continued efficient management by the Secretariat of the finances of the Trust Fund for the Vienna Convention,

1. To take note with appreciation of the financial report of the Trust Fund for the fiscal year 2016 and the report on the actual expenditures for 2016 as compared to the approved budget for that year;
2. To reaffirm a working capital reserve equivalent to 15 per cent of the annual average of the triennial operational budgets for the triennium 2018-2020 to be used to meet the final expenditures under the Trust Fund;
3. To approve the revised 2017 budget for the Trust Fund in the amount of [$XX], the budget for 2018 in the amount of [$XX], the budget for 2019 in the amount of [$XX] and the budget for 2020 in the amount of [$XX], as set out in annex [XX] to the report of the combined eleventh meeting of the Conference of the Parties to the Vienna Convention and the Twenty-Ninth Meeting of the Parties to the Montreal Protocol;[[2]](#footnote-2)
4. To approve the contributions to be paid by the parties of[$XX] in 2018, [$XX] in 2019 and [$XX] in 2020 as set out in annex [XX] to the report of the eleventh meeting of the Conference of the Parties to the Vienna Convention and the Twenty-Ninth Meeting of the Parties to the Montreal Protocol;
5. To urge all parties to pay their outstanding contributions as well as their future contributions promptly and in full;
6. To note with concern that a number of parties have not paid their contributions for 2017 and prior years, and to urge those parties to pay both their outstanding contributions and their future contributions promptly and in full;
7. To request the Executive Secretary and to invite the President of the Conference of the Parties to enter into discussions with any party whose contributions are outstanding for two or more years with a view to finding a way forward, and to request that the Executive Secretary report to the 12th Conference of the Parties on the outcome of the discussions;
8. To decide to further consider how to address outstanding contributions to the trust fund at its next meeting and requests the Executive Secretary to continue to publish and regularly update information on the status of contributions to the Protocol's Trust Funds;
9. To request the Secretariat to ensure the full utilization of programme support costs available to it in 2018-2020 and later years and where possible to offset those costs against the administrative components of the approved budget;
10. To request the Secretariat to indicate in future financial reports of the Trust Fund for the Vienna convention the amounts of cash on hand in the section entitled “Total reserves and fund balances” in addition to contributions that have not yet been received.
11. Requests the Executive Secretary to prepare a results-based budget and work programmes for the triennium 2021−2023, presenting two budget scenarios, and work programmes based on the projected needs for the biennium in (1) a zero nominal growth scenario; and (2) a scenario based on further recommended adjustments to the first scenario and the added costs or savings related to them;

Annex I

Trust fund for the Vienna Convention for the Protection of the Ozone Layer

Approved revised 2017, approved budgets for 2018, 2019 and 2020 (in United States dollars)

| *Budget line* | *Cost category* | *Approved 2017* | *Revised 2017* | *Proposed 2018* | | *Proposed 2019* | *Proposed 2020* |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1000 | Employee salaries, allowances and benefits | 560 020 | 555 875 | 566 993 | 578 333 | | 589 898 |
| **Operating costs** | | | | | | | |
| **1300** | **Meeting costs** |  | | | | | |
| 1322 | Conference Services costs: preparatory meetings and meetings of the parties | 252 000 | 252 000 | − | − | | 252 000 |
| 1324 | Conference Services costs: Bureau meetings | 20 000 | 20 000 | − | − | | 20 000 |
| 1327 | Conference Services costs: Ozone Research Managers meeting | 24 000 | 15 000 | − | − | | 20 000 |
| 1328 | Promotional activities for the protection of the ozone layer | 10 000 | 10 000 | 10 000 | 10 000 | | 10 000 |
| 5401 | Hospitality | 15 000 | 10 000 | − | − | | 15 000 |
| **Subtotal: Meeting costs** | | **321 000** | **307 000** | **10 000** | **10 000** | | **317 000** |
| **3300** | **Travel of Article 5 parties** |  | | | | | |
| 3304 | Travel of Article 5 parties: Bureau meetings | 20 000 | 20 000 | − | − | | 20 000 |
| 3307 | Travel of Article 5 parties: Ozone Research Managers meeting | 175 000 | 150 000 | − | − | | 160 000 |
| **Subtotal: Travel of Article 5 parties** | | **195 000** | **170 000** | − | − | | **180 000** |
| 1600 | Staff travel on official business | 30 000 | 30 000 | 30 000 | 30 000 | | 30 000 |
| **Other operating costs: consumables and supplies** | | | | | | | |
| 4100 | Expendable equipment | 8 000 | 8 000 | 8 000 | 8 000 | | 8 000 |
| 4203 | Other office equipment | 5 000 | 5 000 | 5 000 | 5 000 | | 5 000 |
| 4205 | Equipment and peripherals for paperless conferences | 5 000 | 5 000 | 5 000 | 5 000 | | 5 000 |
| 4300 | Rental of premises | 17 500 | 17 500 | 17 500 | 17 500 | | 17 500 |
| 5100 | Operation and maintenance of equipment | 7 500 | 7 500 | 7 500 | 7 500 | | 7 500 |
| 5200 | Reporting costs | 7 500 | 7 500 | 7 500 | 7 500 | | 7 500 |
| 5202 | Reporting costs (Ozone Research Managers) | 10 000 | 5 000 | − | − | | 5 000 |
| 5300 | Sundry | 40 000 | 40 000 | 40 000 | 40 000 | | 40 000 |
| **Subtotal: Other operating costs: supplies and consumables** | | **100 500** | **95 500** | **90 500** | **90 500** | | **95 500** |
| **Total direct costs** | | **1 206 520** | **1 158 375** | **697 493** | **708 833** | | **1 212 398** |
|  | Programme support costs (13 per cent) | 156 848 | 150 589 | 90 674 | 92 148 | | 157 612 |
| **Grand total** | | **1 363 368** | **1 308 964** | **788 167** | **800 981** | | **1 370 010** |

Explanatory notes for the proposed revision to the approved budget for 2017 and the proposed budgets for 2018, 2019 and 2020 for the Trust Fund for the Vienna Convention for the Protection of the Ozone Layer

| *Cost category* | *Budget line* | *Comment* |
| --- | --- | --- |
| Employee salaries, allowances and benefits | 1000 | The proposed 2017 costs include a decrease of $21,000, representing the cost of the abolished post of Research Assistant and an increase of $16,855 to align the costs to 2017 salary costs.  The salary costs for 2018, 2019 and 2020 are increased by 2 per cent to provide for inflation.  Annex II sets out the detailed Secretariat staffing table. |
| Operating expenses |  | This section includes meeting costs, travel of Article 5 participants and hospitality. |
| 1300 | Meeting costs  Necessary funds may be transferred from the conference servicing budget lines should such services be required to be rendered either by individual consultancies or under corporate contracts.  The current conference servicing costs are based on the following background and assumptions: |
| 1322 | The conferencing costs of the eleventh and twelfth meetings of the Conference of the Parties to the Vienna Convention are shared with the Twenty-Ninth and  Thirty-Second Meetings of the Parties to the Montreal Protocol since they will be held jointly in 2017 and 2020. |
| 1324 | Bureau meetings are scheduled in 2017 and 2020. The first meeting in the year is held back to back with the meeting of the Ozone Research Managers and the second is held back to back with the meeting of the Bureau of the Meeting of the Parties to the Montreal Protocol. The meetings have provision for interpretation and document translation into the appropriate languages based on the membership of the Bureau. |
| 1327 | The 2017 and 2020 budgets include conference services costs for the tenth and eleventh meetings of the Ozone Research Managers. Costs in 2017 were reduced owing to the provision of services by the World Meteorological Organization at a reduced rate. The 2020 budget is increased by $5,000 over the 2017 costs to cater for inflation. |
| 1328 | A minimum amount of $10,000 is proposed for each year to cover activities in connection with the celebration of the International Day for the Protection of the Ozone Layer. |
| 5401 | Hospitality costs cover the receptions at the meeting of the Ozone Research Managers and the joint Conference of the Parties and Montreal Protocol meetings. In 2017, the cost of the reception at the meeting of the Ozone Research Managers was reduced owing to favourable catering rates provided by the caterers at the World Meteorological Organization. |
| 3300 | Travel of Article 5 participants:  Considering that the meeting of the Conference of the Parties to the Vienna Convention is normally held jointly with the Meeting of the Parties to the Montreal Protocol, participation costs are borne by the Trust Fund for the Montreal Protocol.  The Secretariat confirms that no funds from the budget lines in this section have been used to cover the cost of travel of representatives of non-Article 5 parties. |
| 3304 | Participation costs are based on two Bureau meetings, in 2017 and 2020 respectively, for four participants from developing countries or countries with economies in transition, being held back to back with the meeting of the Ozone Research Managers and the meeting of the Conference of the Parties to the Vienna Convention. |
| 3307 | For the tenth meeting of the Ozone Research Managers in 2017, the budget of $175,000 catered for the participation of 35 experts at an average cost of $5,000, taking into account not more than one person’s travel costs per country, using the most appropriate and advantageous economy-class fare and United Nations daily subsistence allowances. However, 53 participants were funded at an average cost of $2,500 (note, however, that the costs are being finalized at the time of preparing the present document). |
| Travel on official business | 1600 | The budgets include travel of Secretariat officers in connection with the organization of the meetings of the Ozone Research Managers and the meetings of the Conference of the Parties, in addition to travel related to the provision of support to network and capacity‑building meetings. |
| Other operating costs: consumables and supplies |  | The section includes expendable equipment, non-expendable equipment and rental of office premises, operation and maintenance of equipment, reporting costs, communication, freight and the costs of Ozone Day celebrations. |
|  | 4100–4205 and 5101 | The budgets for expendable equipment, office equipment, equipment for peripherals for paperless conferences and operation and maintenance of equipment have been maintained at the approved 2017 levels.  The Secretariat is maintaining its electronic data processing systems to make the documentation of the Protocol and the Convention available electronically to the parties. This requires periodic procurement of necessary peripherals and software licences and updating of existing computer servers.  A minimum provision has been made to enable the Secretariat to replace some equipment each year. |
| 4300 | The rental cost is shared with the Trust Fund for the Montreal Protocol. The budgets are maintained at the approved 2017 level. Nairobi rental rates are determined by the United Nations Controller. |
| 5200–5202 | Reporting costs in 2017 and 2020 cater for the report of the meeting of the Ozone Research Managers, which is being reduced in 2017 and 2020 from $10,000 to $5,000, due to savings on printing and distribution since the document is distributed in electronic format.  Other general reporting costs that cover editing and translation of general documents, among other things, are maintained at the approved level of $7,500. |
| 5300 | Sundry includes communications, freight and Ozone Day celebration costs of $20,000, $15,000 and $5,000, respectively, and these are maintained at the approved 2017 level. |

Annex II

Contributions by the parties

Trust fund for the Vienna Convention for the Protection of the Ozone Layer

1. UNEP/OzL.Conv.11/4/Add.1. [↑](#footnote-ref-1)
2. UNEP/OzL.Conv.11/[XX]-UNEP/OzL.Pro.29/[XX]. [↑](#footnote-ref-2)