

11th Meeting of the Advisory Committee

City of Luxembourg, Luxembourg, 8 – 10 May 2006

Draft Resolution No. 5.1

Financial and Administrative Matters
(Budget 2007 - 2009)



General remarks:

On most budget lines the budget 2004 – 2006 has proved to be well planned and to cover the needs of the Secretariat. Consequently only minor increases or decreases are suggested for those budget lines.

However the development on expenditure for staff costs is a serious problem. The allocated funds have been sufficient for 2004 and 2005, but a shortfall of approximately EUR 45.000 is expected for 2006. Therefore the salary figures for 2007 – 2009 had to be substantially increased in order to meet the actual costs. This leads to a significant but unavoidable increase of the overall budget as the staff costs alone represent more than 78 percent of the total budget. The average increase for the years 2007 – 2009 will be 31,79 percent compared to the Medium Term Plan adopted at MoP 4.

Detailed explanations and further information on the reasons for this will be given by the Secretariat and a UNEP representative at the AC 11 Meeting. The staff costs presented in this document have been examined by the joint Administrative and Fund Management Unit of the CMS Family and have been confirmed with the comment, that they represent the absolute minimum. At the time of writing the budget proposal is still under revision by the finance experts at UNEP/UNON Headquarters in Nairobi and depending on their recommendations further changes cannot be excluded.

The Parties are also kindly reminded that as of 1 January 2004 new UN scales of contributions were/are applicable. The table of contributions at Annex 3 is therefore not comparable to the one adopted at MoP 4.

The Medium Term Plan 2007 – 2012 will be prepared for MoP 5 according to the outcomes of the budget discussions.

At the AC 11 Meeting the Secretariat will present concrete proposals for future synergies and expenditure reductions in particular related to the structure and size of the Meetings of the Advisory Committee.

Comments on various budget lines:

- 1101:** This budget line had to be significantly increased as explained above.
- 1220:** The amount budgeted for consultancies is suggested to be moderately reduced.
- 1301:** This budget line had to be significantly increased as explained above.
- 1302:** This budget line had to be significantly increased as explained above.
- 1303:** This budget line had to be significantly increased as explained above. In addition the workload of the Secretariat has substantially increased in the past years. The Agreement membership has doubled since MoP 2 and is expected to further increase beyond 31 Parties in 2007 and the following years. Over the years the number of staff has only increased from two to two and a half posts. Different from the early years the Secretariat now has to manage a significant number of projects every year and to produce or at least manage the production of publications on a regular basis. Also information requests from the general public as well as bat workers and NGOs are constantly increasing. It is therefore suggested to transform the part-time post of Secretary into a full-time post.
- 1601:** Despite a very restrictive travel policy the amounts budgeted for the past triennium did not meet the actual needs. However, the Secretariat only suggests an insignificant increase of this budget line taking into account the importance of well serving the Meetings of the Agreement and of being represented at international conferences (e.g. Bern Convention) and other events with view to promoting the Agreement and attracting new Parties.
- 1602:** An insignificant increase is suggested to cover the future needs. However, this budget line will need to be further discussed at the Meeting.
- 20:** Operational budget line for subcontracts to be concluded for projects or meetings financed through voluntary contributions.
- 3301 and 3302:** Only an insignificant increase is suggested for these budget lines. However, the costs for Advisory Committee Meetings (and other working groups) as well as Meetings of Parties are difficult to estimate, as they mainly depend on how much of the costs the respective host government is ready or able to cover. It has also turned out to be very difficult for the Secretariat to find sufficient voluntary contributions from Parties other than Germany, Luxembourg and the United Kingdom to fund the participation of delegates and observers

from countries with economies in transition. A further discussion on this issue will be required at the AC Meeting.

- 4101:** An insignificant increase is suggested for this budget line.
- 4201:** An insignificant increase is suggested for this budget line to meet the future needs of the Secretariat.
- 4301:** Paid entirely by the host government as long as the Secretariat remains based in Germany.
- 5101:** An insignificant increase is suggested for this budget line.
- 5102:** An insignificant decrease is suggested to cover the actual costs.
- 5201:** A minor increase is suggested to cover the future needs of the Secretariat.
- 5202:** An insignificant increase is suggested for this budget line.
- 5301:** A minor increase is suggested to cover the actual costs.
- 5302:** A significant decrease is suggested for this budget line as most mailings are done electronically now.
- 5303:** An insignificant decrease is suggested to cover the actual costs.
- 5401:** An insignificant decrease is suggested to cover the actual costs.

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The Meeting of the Parties to the Agreement on the Conservation of Populations of European Bats (hereafter "the Agreement"),

Having regard to Article V (1) of the Agreement which states that the Meeting of Parties shall consider and decide upon "financial rules, including the provision of the budget and the scale of contributions for the next financial period";

Recalling Resolution No. 1 adopted at its 3rd Session (Sofia, Bulgaria, September 2003) on financial and administrative matters;

Recognizing the need to strengthen the capacity of the Secretariat of the Agreement to enable it to better serve the Parties;

Expecting that the Secretariat of the Agreement shall co-operate effectively with the other Agreement Secretariats in the UNEP/CMS Agreements Unit;

Acknowledging with appreciation the substantial contribution of the German Government in providing, and agreeing to continue to provide, the accommodation for the Secretariat on a rent-free basis and its annual voluntary contribution of EURO 25,600 in support of special measures and projects aimed at improving the implementation of the Agreement;

1. *Confirms* that all Parties shall contribute to the budget adopted at the scale agreed upon by the Meeting of Parties in accordance with Article V (1) of the Agreement;
2. *Discharges and approves* the income and expenditure for the year 2003 and the income and expenditures for the years 2004/2005 as presented to the Meeting by the Secretariat and UNEP/UNON. The Meeting further agrees that the expenditures for the year 2006 should be discharged and approved by the 6th Session of the Meeting of the Parties.

3. *Adopts* the budget for 2007 - 2009 attached as Annex 1 to this resolution;
4. *Agrees* to the scale of contributions of Parties to the Agreement as listed in Annex 2 to this resolution, subject to revision by the Secretariat as soon as the UN scale of contributions for 2007 - 2009 becomes available, and to the application of that scale *pro rata* to new Parties;
5. *Requests* all Parties to pay their annual contributions promptly as far as possible but in any case not later than the end of June of the year to which they relate;
6. *Takes note* of the medium-term plan for 2007 - 2012 attached as Annex 4 to this resolution;
7. *Urges* all Parties to make voluntary contributions to support requests from countries with economies in transition to participate in and implement the Agreement throughout the triennium;
8. *Invites* Non-Party Range States, governmental, intergovernmental and non-governmental organisations to make voluntary contributions towards special activities for the implementation of the Agreement;
9. *Approves* the transformation of a part-time post of a Secretary (G4) into a full-time post
10. *Requests* the Executive Director of UNEP to extend the duration of the Trust Fund for the administration of the budget to 31 December 2009;
11. *Approves* the Terms of Reference for the Administration of the Trust Fund as set out in Annex 3 to this resolution, for the period 2007 – 2009;
12. *Instructs* the Secretariat to report on its income and expenditure to the Advisory Committee at each of its meetings, and to report back to the Meeting of Parties at its next session.
13. *Authorises* the Advisory Committee in case of unforeseen major shortfalls on established budget lines and subject to satisfactory documentation provided by the Secretariat, to decide upon withdrawals from the Trust Fund reserve as deemed appropriate.
14. *Decides* to maintain its decision taken in Resolution 4.1 that the maximum contribution of single Parties shall be 20% within a financial year.

Draft Budget Estimates for 2007 - 2009 (in EURO)

Budget line	2007	2008	2009	Total
10 Personnel				
1100 Professional Staff				
1101 Executive Secretary (P4)	131.800	133.500	135.300	400.600
1220 Consultancies	1.500	1.500	1.500	4.500
1300 Administrative Support				
1301 Administrative Assistant (G5, part-time)	31.400	32.200	33.000	96.600
1302 Administrative Assistant (G5, part-time)	31.400	32.200	33.000	96.600
1303 Secretary (G4)	58.800	60.300	61.700	180.800
1600 Travel on official business				
1601 Secretariat staff	12.000	13.000	15.000	40.000
1602 Experts on mission	2.000	2.000	2.000	6.000
1999 Personnel Subtotal	268.900	274.700	281.500	825.100
20 Subcontracts	0	0	0	0
30 Meetings				
3301 Meeting of Parties	0	0	20.000	20.000
3302 Meeting of the Advisory Committee	14.000	14.000	14.000	42.000
3999 Meetings Subtotal	14.000	14.000	34.000	62.000
40 Equipment and Premises				
4100 Expendable equipment				
4101 Miscellaneous office supplies	2.000	2.000	2.000	6.000
4200 Non-expendable equipment				
4201 Office equipment	2.000	2.000	2.000	6.000
4300 Premises				
4301 Rent and maintenance costs*	0	0	0	0
4999 Equipment and Premises Subtotal	4.000	4.000	4.000	12.000
50 Miscellaneous Costs				
5100 Operation and Maintenance				
5101 Operation/maintenance computers	500	500	500	1.500
5102 Operation/maintenance of photocopier/fax	900	900	900	2.700
5200 Reporting Costs				
5201 Information material (incl. European Bat Night)	8.000	8.000	8.000	24.000
5202 Reference material	200	200	200	600
5300 Sundry				
5301 Telephone and Fax	2.000	2.000	2.000	6.000
5302 Postage and miscellaneous	2.000	2.000	2.000	6.000
5303 Bank charges	400	400	400	1.200
5401 Hospitality	400	400	400	1.200
5999 Miscellaneous Costs Subtotal	14.400	14.400	14.400	43.200
SUBTOTAL	301.300	307.100	333.900	942.300
6000 UNEP programme support costs (13%)	39.169	39.923	43.407	122.499
GRAND TOTAL	340.469	347.023	377.307	1.064.799

* Paid entirely by the host country (Germany).

Contributions to EUROBATS for 2007 - 2008 (EURO)

Draft estimate as of 24 April 2006

Party	UN Scale*		UN Scale*		Contributions		Contributions		Percent		Incr./Decr.		Incr./Decr.		Incr./Decr.		Overall	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007 v. MoP4	2008 v. MoP4	2007 v. MoP4	2008 v. MoP4	2009 v. MoP4	2009 v. MoP4	average	average
Albania	0,005	0,005	0,005	0,005	55	56	61	0,02	0,02	0,02	77,38%	75,00%	75,00%	75,00%	69,13%	73,84%	73,84%	73,84%
Belgium	1,069	1,069	1,069	1,069	11.756	11.973	13.018	3,45	3,45	3,45	-0,28%	-0,66%	-0,66%	-0,66%	-2,98%	-1,30%	-1,30%	-1,30%
Bulgaria	0,017	0,017	0,017	0,017	187	190	207	0,05	0,05	0,05	37,47%	36,98%	36,98%	36,98%	34,43%	36,29%	36,29%	36,29%
Croatia	0,039	0,039	0,039	0,039	429	437	475	0,13	0,13	0,13	5,38%	5,00%	5,00%	5,00%	2,58%	4,32%	4,32%	4,32%
Czech Republic	0,183	0,203	0,203	0,203	2.013	2.274	2.472	0,59	0,66	0,66	-5,07%	4,92%	4,92%	4,92%	2,49%	0,78%	0,78%	0,78%
Denmark	0,718	0,718	0,718	0,718	7.896	8.042	8.744	2,32	2,32	2,32	0,96%	0,58%	0,58%	0,58%	-1,77%	-0,07%	-0,07%	-0,07%
Estonia**	0,012	0,012	0,012	0,012	132	134	146	0,04	0,04	0,04	-	6,67%	6,67%	6,67%	41,87%	24,27%	24,27%	24,27%
Finland	0,533	0,533	0,533	0,533	5.862	5.970	6.491	1,72	1,72	1,72	7,53%	7,14%	7,14%	7,14%	4,64%	6,44%	6,44%	6,44%
France	6,030	6,030	6,030	6,030	66.315	67.537	73.431	19,48	19,46	19,46	28,87%	28,39%	28,39%	28,39%	25,39%	27,55%	27,55%	27,55%
Georgia	0,003	0,003	0,003	0,003	33	34	37	0,01	0,01	0,01	-36,55%	-36,60%	-36,60%	-36,60%	-29,74%	-34,30%	-34,30%	-34,30%
Germany	8,662	8,662	8,662	8,662	68.094	69.405	75.461	20,00	20,00	20,00	32,33%	31,94%	31,94%	31,94%	28,86%	31,04%	31,04%	31,04%
Hungary	0,126	0,126	0,126	0,126	1.386	1.411	1.534	0,41	0,41	0,41	10,59%	10,17%	10,17%	10,17%	7,60%	9,45%	9,45%	9,45%
Ireland	0,350	0,350	0,350	0,350	3.849	3.920	4.262	1,13	1,13	1,13	25,38%	24,92%	24,92%	24,92%	21,98%	24,10%	24,10%	24,10%
Italy**	4,885	4,885	4,885	4,885	53.723	54.713	59.487	15,78	15,77	15,77	-	-	-	-	33,30%	33,30%	33,30%	33,30%
Latvia	0,015	0,015	0,015	0,015	165	168	183	0,05	0,05	0,05	58,62%	57,01%	57,01%	57,01%	53,50%	56,38%	56,38%	56,38%
Lithuania	0,024	0,024	0,024	0,024	264	269	292	0,08	0,08	0,08	48,28%	48,51%	48,51%	48,51%	44,68%	47,16%	47,16%	47,16%
Luxembourg	0,077	0,077	0,077	0,077	847	862	938	0,25	0,25	0,25	1,41%	0,99%	0,99%	0,99%	-1,40%	0,33%	0,33%	0,33%
FYR Macedonia	0,006	0,006	0,006	0,006	66	67	73	0,02	0,02	0,02	4,74%	5,00%	5,00%	5,00%	2,91%	4,22%	4,22%	4,22%
Malta	0,014	0,014	0,014	0,014	154	157	170	0,05	0,05	0,05	-1,93%	-2,00%	-2,00%	-2,00%	-4,22%	-2,72%	-2,72%	-2,72%
Moldova	0,001	0,001	0,001	0,001	11	11	12	0,00	0,00	0,00	-47,63%	-46,67%	-46,67%	-46,67%	-49,26%	-47,85%	-47,85%	-47,85%
Monaco	0,003	0,003	0,003	0,003	33	34	37	0,01	0,01	0,01	-21,45%	-21,86%	-21,86%	-21,86%	-23,89%	-22,40%	-22,40%	-22,40%
Netherlands	1,690	1,690	1,690	1,690	18.586	18.928	20.580	5,46	5,45	5,45	2,41%	2,02%	2,02%	2,02%	-0,36%	1,36%	1,36%	1,36%
Norway	0,679	0,679	0,679	0,679	7.467	7.605	8.269	2,19	2,19	2,19	10,69%	10,28%	10,28%	10,28%	7,71%	9,56%	9,56%	9,56%
Poland	0,461	0,461	0,461	0,461	5.070	5.163	5.614	1,49	1,49	1,49	28,45%	27,96%	27,96%	27,96%	24,97%	27,13%	27,13%	27,13%
Portugal	0,470	0,470	0,470	0,470	5.169	5.264	5.723	1,52	1,52	1,52	7,15%	6,73%	6,73%	6,73%	4,25%	6,04%	6,04%	6,04%
Romania	0,060	0,060	0,060	0,060	660	672	731	0,19	0,19	0,19	8,89%	8,56%	8,56%	8,56%	6,05%	7,83%	7,83%	7,83%
Slovakia	0,051	0,051	0,051	0,051	561	571	621	0,16	0,16	0,16	24,92%	24,45%	24,45%	24,45%	21,54%	23,63%	23,63%	23,63%
Slovenia**	0,082	0,082	0,082	0,082	902	918	999	0,26	0,26	0,26	-	6,42%	6,42%	6,42%	41,64%	24,03%	24,03%	24,03%
Sweden	0,998	0,998	0,998	0,998	10.976	11.178	12.153	3,22	3,22	3,22	2,36%	1,99%	1,99%	1,99%	-0,40%	1,32%	1,32%	1,32%
Ukraine	0,039	0,039	0,039	0,039	429	437	475	0,13	0,13	0,13	-22,44%	-22,83%	-22,83%	-22,83%	-24,61%	-23,29%	-23,29%	-23,29%
United Kingdom	6,127	6,127	6,127	6,127	67.382	68.623	74.612	19,79	19,77	19,77	30,95%	30,45%	30,45%	30,45%	27,40%	29,60%	29,60%	29,60%
Total	33,429	33,449	33,449	33,449	340.469	347.023	377.307	100,00	100,00	100,00	45,56%	45,13%	45,13%	45,13%	41,74%	44,15%	44,15%	44,15%

* Scales based on those of 2006. To be reviewed when scales for 2007 - 2009 become available.

** Not yet Party at the time of MoP4. Percentage increases/decreases calculated from the relating first and following years of full membership as applicable.

TERMS OF REFERENCE FOR THE ADMINISTRATION OF
THE TRUST FUND FOR THE AGREEMENT ON THE
CONSERVATION OF POPULATIONS OF EUROPEAN BATS

1. The Trust Fund for the Agreement on the Conservation of Populations of European Bats (hereinafter referred to as the Trust Fund) shall be extended for a period of three years to provide financial support for the aims of the Agreement.
2. The financial period shall be for three calendar years beginning 1 January 2007 and ending 31 December 2009.
3. The Trust Fund shall be administered by the Executive Director of the United Nations Environment Programme (UNEP), subject to the approval of the Governing Council of UNEP and the consent of the Secretary-General of the United Nations.
4. The administration of the Trust Fund shall be governed by the Financial Regulations and Rules of the United Nations, the Staff Regulations and Rules of the United Nations, and other administrative policies or procedures, promulgated by the Secretary-General of the United Nations.
5. In accordance with United Nations rules, UNEP shall deduct from the income of the Trust Fund an administrative charge equal to 13 per cent of the expenditure charged to the Trust Fund in respect of activities financed under the Trust Fund.
6. In the event that the Parties wish the Trust Fund to be extended beyond 31 December 2009, the Executive Director of UNEP shall be so advised in writing immediately after the 6th Session of the Meeting of Parties. It is understood that such extension of the Trust Fund shall be decided at the discretion of the Secretary-General of the United Nations.
7. The financial resources of the Trust Fund for 2007-2009 shall be derived from:
 - (a) The contributions made by the Parties by reference to Annex 2, including contributions from any new Parties;
 - (b) Further contributions from Parties and contributions from States not Parties to the Agreement, other governmental, intergovernmental and non-governmental organisations and other sources.
8. All contributions to the Trust Fund shall be paid in EURO. For contributions from States that become Parties after the beginning of the financial period, the initial contribution (from the thirtieth day after deposit of the instrument of ratification, acceptance or accession till the end of the financial period) shall be determined *pro rata* based on the contribution of other States Parties on the same level on the United Nations scale of assessment, as it applies from time to time. However, if the contribution of a new Party determined on this basis would be more than 20 per cent of the budget, the contribution of that Party shall be 20 per cent of the budget for the financial year of joining (or *pro rata* for a part-year).

Contributions shall be paid in annual instalments. The contributions shall be due on 1 January 2007, 2008 and 2009. Contributions shall be paid into the following account:

UNEP Trust Fund
Account No. 616 160 3755
J.P. Morgan AG
Gruneburgweg 2
60322 Frankfurt/Main, Germany
Wire transfers: Bank Code number 501 108 00
SWIFT number CHASDEFX

9. For the convenience of the Parties, for each of the years of the financial period the Executive Director of UNEP shall as soon as possible notify the Parties to the Agreement of their assessed contributions.
10. Contributions received into the Trust Fund that are 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.
11. The Trust Fund shall be subject to audit by the United Nations Board of Auditors.
12. The budget estimates covering the income and expenditure for each of the three calendar years constituting the financial period to which they relate, prepared in EURO and US Dollars, shall be submitted to the ordinary session of the Meeting of Parties to the Agreement.
13. The estimates of each of the calendar years covered by the financial period shall be divided into sections and objects of expenditures, shall be specified according to budget lines, shall include references to the programmes of work to which they relate, and shall be accompanied by such information as may be required by or on behalf of the contributors, and such further information as the Executive Director of UNEP may deem useful and advisable. In particular estimates shall also be prepared for each programme of work for each of the calendar years, with expenditure itemised for each programme so as to correspond to the sections, objects of expenditure, and budget lines described in the first sentence of this paragraph.
14. In addition to the budget estimates for the financial period described in the preceding paragraphs, the Secretariat of the Agreement, in consultation with the Advisory Committee and the Executive Director of UNEP, shall prepare a medium-term plan as envisaged in Chapter III of the Legislative and Financial Texts Regarding the United Nations Environment Programme and the Environment Fund. The medium-term plan will cover the years 2007-2012, inclusive, and shall incorporate the budget for the financial period 2010-2012.
15. The proposed budget and medium-term plan, including all the necessary information, shall be dispatched by the Secretariat to all Parties at least ninety days before the date fixed for the opening of the ordinary session of the Meeting of Parties.
16. The budget and medium-term plan shall be adopted by a three-quarters majority of the Parties present and voting at the ordinary session.

17. In the event that the Executive Director of UNEP anticipates that there might be a shortfall in resources over the financial period as a whole, the Executive Director shall consult with the Secretariat, who shall seek the advice of the Advisory Committee as to its priorities for expenditure.
18. Commitments against the resources of the Trust Fund may be made only if they are covered by the necessary income of the Agreement. No commitments shall be made in advance of the receipt of contributions.
19. Upon the request of the Secretariat of the Agreement, after seeking the advice of the Advisory Committee, the Executive Director of UNEP should, to the extent consistent with the Financial Regulations and Rules of the United Nations, make transfers from one budget line to another. At the end of any calendar year within the financial period, the Executive Director of UNEP may transfer any uncommitted balance of appropriations to the following calendar year, provided that the total budget approved by the Parties is not exceeded, unless this is specifically sanctioned in writing by the Advisory Committee.
20. At the end of each calendar year within the financial period¹, the Executive Director of UNEP shall submit to the Parties, through the UNEP/EUROBATS Secretariat, the accounts for the year. The Executive Director shall also submit, as soon as practicable, the audited accounts for the financial period. These shall include full details of actual expenditure compared to the original provisions for each budget line.
21. Those financial reports required to be submitted to the Executive Director of UNEP shall be transmitted simultaneously by the Secretariat of the Agreement to the members of the Advisory Committee.
22. The Secretariat of the Agreement shall provide the Advisory Committee with an estimate of proposed expenditures over the coming year simultaneously with, or as soon as possible after, distribution of the accounts and reports referred to in the preceding paragraphs.
23. The present terms of reference shall be effective from 1 January 2007 to 31 December 2009.

¹ The calendar year 1 January to 31 December is the accounting and financial year, but the accounts official closure date is 31 March of the following year. Thus, on 31 March the accounts of the previous year have to be closed, and it is only then that the Executive Director can submit the accounts of the previous calendar year.