United Nations Environment Programme

First Meeting of the Scientific, Technical and Advisory Committee (STAC) to the Protocol Concerning Pollution from Land-Based Sources and Activities (LBS) in the Wider Caribbean

Oranjestad, Aruba, 5 – 7 June 2012

FINANCIAL RULES
FOR THE CONVENTION FOR THE PROTECTION AND DEVELOPMENT OF THE MARINE ENVIRONMENT OF THE WIDER CARIBBEAN REGION

PURPOSES

1. The Caribbean Trust Fund (hereinafter referred to as the “Trust Fund”) was established in 1983 to provide financial support for the common costs and activities associated with the implementation of the Action Plan for the Caribbean Environment Programme (CEP). The Trust Fund now serves to provide support to the common costs and activities of the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region adopted in Cartagena de Indias on 24 March 1983 (Convention).

2. The present document serves as the Financial Rules for the Convention, as described in article 20, paragraph 2 of the Convention. The level of contributions should, at a minimum, guarantee the overall costs of the Secretariat.

DEFINITIONS

3. “Contracting Party” means a State or Regional Economic Integration Organization that has ratified, accepted, approved or acceded to the Convention.
4. “Fiscal year” means the financial year of the United Nations Environment Programme (UNEP), beginning 1 January and ending 31 December.

5. "Meeting" means any ordinary or extraordinary meeting of the Contracting Parties convened under the auspices of the Convention; and

6. "Secretariat" means the United Nations Environment Programme (UNEP), the institution which, pursuant to article 15 of the Convention, has been designated by the Contracting Parties to carry out the Secretariat functions. Within UNEP, and on behalf of UNEP, the Caribbean Regional Coordinating Unit (UNEP-CAR/RCU) is responsible for the administration of the Convention and its related protocols and therefore acts as the Secretariat under the Convention.

Resources of the Caribbean Trust Fund

7. Contracting Parties agree to pay voluntary contributions to support the Trust Fund. Voluntary contributions are to be paid on an annual basis at levels agreed to at each ordinary Meeting.

8. Contributions made to the Trust Fund are either ordinary or extraordinary. Ordinary contributions shall consist of the amount agreed to by each Contracting Party for each fiscal year on a biennial basis. Extraordinary contributions are funds provided beyond ordinary contributions and include those contributions made by Contracting Parties, non-Contracting Parties, or other donors.

9. Contracting Parties will be requested to accept the ordinary contribution level at each ordinary Meeting. In the event that this is not possible, the contribution levels will be accepted on an interim basis for a period of 60 days beginning from the last day of the Meeting. Within the 60-day interim period, Contracting Parties shall seek to confirm their contribution level to the Secretariat or to indicate any relevant change. In the event that the Secretariat receives no confirmation from a Contracting Party, it may send out an invoice in accordance with the process described in paragraph 14.

10. All ordinary contributions are due to be paid in the year for which they were pledged.

11. All contributions shall be allocated in accordance with the relevant provisions of the United Nations for the administration of Trust Funds. Donors may request that their extraordinary contributions be earmarked for specific purposes, within the priorities already approved by the Contracting Parties.

Administration

12. The administration of the Trust Fund is entrusted through the Secretariat to the Executive Director of UNEP. The Trust Fund is administered in accordance with the Financial Regulations, Rules and relevant administrative instructions of the United Nations, including the Financial Rules of the Environment Fund. This includes, inter alia, the following:

a) Reminding Contracting Parties of their agreed commitments to the Trust Fund;
b) Obligations against the resources of the Trust Fund may be made only if they are covered by the necessary funds. No obligations shall be made in advance of the receipt of contributions covering those obligations. Therefore, the Executive Director is requested to inform Contracting Parties of a risk situation in the level of funds received and has the authority to interrupt personnel contracts and other contracts or obligations if the level of contributions received is not adequate;

c) All expenditures shall be made based on supporting documentation, which ensures that payment is due, and where goods and services are involved that they have been received; and

d) The end of the fiscal year, the Secretariat shall request the Executive Director, to transfer any uncommitted balances to the following year.

13. At the beginning of each fiscal year, the Executive Director, through the Secretariat, is authorized to send an invoice or a balance to Contracting Parties in the amounts agreed, as described in paragraphs 8 and 9 above. In the event that a Contracting Party has not confirmed the amount of its contribution 30 days before the start of the fiscal year the Executive Director is authorized to send an invoice or a balance to that Contracting Party in the amount indicated by the Meeting. Notwithstanding the other provisions of this paragraph, invoices do not represent a legal obligation to pay.

14. In the financial reports stipulated in paragraphs 19-20 below, the Secretariat may note any amounts that a Contracting Party had agreed to pay as a voluntary contribution, but did not. The Secretariat should attempt to work with any Contracting Party that has not paid the amount it agreed to pay, and to determine if that Contracting Party can pay that amount in a future year. If that Contracting Party agrees, unpaid amounts may be billed to that Contracting Party on an annual basis as “unpaid agreed contributions.”

15. Unpaid contributions can be paid in cash or in-kind as agreed between a Contracting Party and the Secretariat on a case-by-case basis. In-kind contributions may include, inter alia, the hosting of in-country workshops and meetings of the Convention, the provision of consulting services for projects carried out under the Convention, or the hiring of researchers and other qualified technical personnel for projects carried out under the Convention

16. In-kind contributions will not be allowed in lieu of current year payments, unless the Contracting Parties agree otherwise. The secretariat, through the authority given in the present paragraph shall ensure that the use of in-kind contributions does not undermine the Trust Fund as the core cash resource of the Convention and shall report to the Contracting Parties on the use of this mechanism

17. Following a request by the Contracting Parties, the Governing Council of UNEP is authorized to extend the Trust Fund every two years for a two-year period. In the event that the Contracting Parties wish to extend the term of the Trust Fund beyond its present approved term, the Executive Director of UNEP shall be so advised by the Contracting Parties, through the Secretariat in writing at least six months before that date. Extensions of the Trust Fund requested by Contracting Parties shall be effective subject to the approval of the Governing Council of UNEP.
**Budget**

18. The budget for a biennium reflecting the work plan for the same period shall be approved by the Contracting Parties, and will constitute the authorization to the Executive Director of UNEP, through the Secretariat, to incur obligations and make payments within the allocations approved by the Contracting Parties.

**Financial reporting**

19. The Executive Director shall submit biennial reports (i.e. every two years) on the administration of the Trust Fund to the Contracting Parties.

20. The report on the administration of the Trust Fund shall show:
   
   a) funds received and expenditures incurred during each fiscal year;
   
   b) detailed report on the contributions of the Contracting Parties and other donors made and not made; and
   
   c) assets and liabilities of the Caribbean Trust Fund.

**Audit**

21. The Trust Fund accounts shall be subject exclusively to audit by the United Nations internal and external auditors.

**Support costs**

22. In accordance with United Nations administrative instruction ST/SGB/188 on the establishment and management of trust funds, and UNEP Governing Council decision GC.20/35, UNEP shall deduct from the income of the Trust Fund an administrative support charge equal to 13 per cent of the expenditures charged to the Trust Fund.