



United Nations
Environment
Programme

Distr.: General
16 May 2015

Original: English



**The Eighth Conference of Parties
to the Nairobi Convention for the Protection, Management and Development
of the Marine and Coastal Environment of the Western Indian Ocean Region**

Mahe, Seychelles 22-24 June 2015

Financial Report and Budget for 2013-2015

1. The Work Programme for the Nairobi Convention is funded by governments, through the East Africa Trust Fund, and by donors.
2. In the period 2013 and 2014, the contributions to the Trust Fund by the Contracting Parties is outlined in Table 1 and 2 below:

Table 1 Contributions to the Eastern Africa Trust Fund in 2013

COUNTRY	Unpaid pledges for 2012 and prior years	Adjustments	Pledges for 2013	Collections during 2013 for prior yrs	Collections during 2013 for 2013 & fut. yrs	Unpaid pledges for 2013 and prior years
Comoros	317,200	0	15,100	0		332,300
France	23	0	78,000	23	78,000	0
Kenya	0	0	45,302	0		45,301
Madagascar	321,572	0	22,651	0		344,223
Mauritius	0	0	30,201	0	30,201	0
Mozambique	741,477	0	45,302	45,302		741,477
Seychelles	100	0	15,100	100	15,100	0
Somalia	290,000	0	15,100	0		305,100
South Africa	0	0	37,500	0	37,500	0
Tanzania	927,456	0	45,302	0		972,758
TOTAL	2,597,827	0	349,558	45,425	160,801	2,741,158

Table 2 Contributions to the Eastern Africa Trust Fund in 2014

COUNTRY	Unpaid pledges for 2013 and prior years	Adjustments	Pledges for 2014	Collections during 2014 for prior yrs	Collections during 2014 for 2014 & fut. yrs	Unpaid pledges for 2014 and prior years
Comoros	332,300	0	15,100	0	0	347,400
France	0	0	78,000	0	155,970	0
Kenya	45,301	0	45,302	0	0	90,601
Madagascar	344,223	0	22,651	0	0	366,874
Mauritius	0	0	30,201	0	30,201	0
Mozambique	741,477	0	45,302	0	0	786,779
Seychelles	0	0	15,100	0	15,100	0
Somalia	305,100	0	15,100	0	0	320,200
South Africa	0	0	37,500	0	37,500	0
Tanzania	972,758	0	45,302	0	0	1,018,060
TOTAL	2,741,158	0	349,558	0	238,771	2,929,914

***A contribution from France received in February 2014 posted against the accounting period 2014 is considered as a collection in 2014 for 2015.

3. Table 3 shows the Expenditure Report for the East African Trust Fund for 2013-2014.

	Regional Seas Trust Fund for the Eastern African Region	
	Expenditure report	
	2013	2014
Coordinator EAF - P4/P5	181,423.08	184,280.93
Project Officer - P2	113,122.77	431.82
Secretary - G4	22,744.68	22,291.23
Total Personnel	317,290.53	207,003.98
Official Travel	-	-
Travel - contracting parties	-	-
Reporting-costs publications and ma	28,586.57	-
Sub-Contracts	48,579.00	20,325.33
Total Activities	77,165.57	20,325.33
Sundry-postage	-	-
Operational Costs	-	-
Total Operational Costs	-	-
Total	394,456.10	227,329.31
Programme Support Cost (13%)	51,279.29	29,552.81
Total Cost to the EAL TF	445,735.39	256,882.12

Table 3: Expenditure Report for the EAF Trust Fund (2013-2014)

4. The level of actual contributions received during the last biennium is not sufficient to support the cost of the Secretariat Functions as shown in Table 3.
5. Table 4 shows the cash balance for the EAL Trust Fund for the period 2012-2015.

	31/12/2012	31/12/2013	31/12/2014
EAL Cash Balance	950345.02	745147.99	731,861.48

Table 4: Modified cash balance of the Eastern Africa Trust Fund

6. As highlighted above, there has been limited and unpredictable income to the Nairobi Convention Trust Fund from assessed contributions of the Contracting Parties necessary to support staffing of the Nairobi Convention Secretariat or of a fully-fledged Regional Coordination Unit.
7. Consequently, the Secretariat has increased and executed its range of services and initiatives to the Contracting Parties from project-based income implemented and managed by the Nairobi Convention partners. Most of the activities in the Work Programme have been supported by donor funding and extra-budgetary funding support to implement the decisions of the COP7 in the past two years.
8. Table 5: shows the extra budgetary source of funding in support to the Nairobi Convention Programme of Work.

Expenditure in US\$	2013	2014
QAW: Multi-donor support to the NBO Conv.	150,193.88	217,558.15
Swedish support the NBO Conv.	281,510.80	7,851.69
Total	431,704.68	225,409.84

Table 5 Extra Budgetary Support

9. With the continually expanding scope of the Work Program, it is essential that the financing not only adequately meets the needs of the program, but is also predictable. The sum of pledges and contributions to the Eastern African Trust Fund would primarily support the staff and operations of the Nairobi Convention Secretariat but the Trust Fund has sustained the minimum functioning of the Secretariat. **Table 6** shows a proposed budget for the Secretariat for the period 2015-2017.

Proposed Budget for the Secretariat of the NBO Convention 2015-17	Budget by calendar year (in USD)		
	2015	2016	2017
SECRETARIAT COSTS			
PERSONNEL COMPONENT			
Coordinator (P5)	193,495.00	199,299.85	205,278.85
Project Officer	-	-	-

Administrative Assistance (G5)	27,772.50	28,605.68	29,463.85
	-	-	-
Sub-total Personnel	221,267.50	227,905.53	234,742.69
OPERATIONAL COSTS			
Operational costs	9,000.00	9,000.00	9,000.00
Office Equipment and Misc.	4,000.00	4,000.00	4,000.00
Sub-total Operational Costs	13,000.00	13,000.00	13,000.00
PoW ACTIVITES to be supported by partnerships and/or collaboration with other institutions			
Consultant	-	-	-
IGM - 8th & 9th	68,751.00	-	75,000.00
Travel	15,000.00	20,000.00	15,000.00
Sub-total Activities	83,751.00	20,000.00	90,000.00
GRAND TOTAL	318,018.50	260,905.53	337,742.69
13% Programme support cost (PSC)	41,342.41	33,917.72	43,906.55
Working Capital Reserve 15% Biennium	51,791.67	0.00	0.00
GRAND TOTAL with PSC & WCR funded from NBO TF (EAL)	411,152.57	294,823.24	381,649.24

Table 6: Nairobi Convention Secretariat Budget 2015-2017

10. The Contracting Parties are requested to consider the long-term sustainability of the Trust Fund, including fund raising options to avoid depletion of the Trust Fund. During the past biennium, only five (5) countries out of ten (10) have contributed to the Trust Fund. From a pledge target of US\$ 699,116 for 2013 and 2014, less than half (US\$ 321,602) has been collected during the concerned period.