



**Ad hoc open-ended working group on a science-policy panel
to contribute further to the sound management of
chemicals and waste and to prevent pollution
Third session**

Geneva, 17–21 June 2024

Item 4 of the provisional agenda*

**Preparation of proposals for the establishment of a science-policy
panel**

Draft financial procedures

Note by the secretariat

I. Introduction

1. The ad hoc open-ended working group on a science-policy panel to contribute further to the sound management of chemicals and waste and to prevent pollution, at its second session, held from 11 to 15 December 2023 in Nairobi, requested the secretariat to prepare draft text for consideration by the ad hoc open-ended working group at its third session, including for financial procedures.
2. The draft text for financial procedures is based on the financial rules and procedures of the United Nations Environment Programme (UNEP) and the financial procedures of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, on the assumption that UNEP will host the secretariat of the panel.
3. At its third session, the ad hoc open-ended working group, in finalizing its proposals for the science-policy panel, may wish to consider the draft financial procedures set out in this document (and for which annex 2 of document UNEP/SPP-CWP/OEWG.3/2 is a placeholder), for subsequent consideration by the intergovernmental meeting to submit the draft financial procedures for consideration and possible adoption by the governing body of the panel, once established, at its first session.

* UNEP/SPP-CWP/OEWG.3/1.

II. Financial procedures for the [insert panel name]

Scope

1. The following procedures will govern the financial administration of the [insert panel name] (hereinafter “the Panel”) and the secretariat. They are to be applied in addition to, and in full compliance with, the regulations and rules of the United Nations and of the United Nations Environment Programme (UNEP), including the Financial Regulations and Rules of the United Nations and the financial rules and financial procedures of UNEP. In case of any conflict between the present procedures and the regulations and rules of the United Nations and UNEP, the regulations and rules of the United Nations and UNEP will prevail.

Financial year and budgeting period

2. The financial year will be the calendar year. The budgeting period for consideration by the [name of governing body] will be the biennium constituted by two consecutive calendar years, beginning with an even year.

[insert panel name] trust fund

3. The [insert panel name] Trust Fund (hereinafter “Trust Fund”) finances the activities of the Panel and the secretariat on a full cost recovery basis. The adoption of the Panel’s budget is the responsibility of the governing body of the Panel.

4. The Trust Fund is open to voluntary contributions from all sources, including Governments, United Nations bodies, other intergovernmental organizations and other stakeholders, such as private sector entities and foundations. The amount of contributions from private sources must not exceed the amount of contributions from public sources in any biennium. Before acceptance of any contribution to the Trust Fund, potential sources must be reviewed and approved in accordance with the regulations and rules of the United Nations and UNEP.

5. Financial contributions to the Panel should be sent to the Trust Fund only after agreement with the secretariat and in accordance with the regulations and rules of the United Nations and UNEP. Contributions will not orient the work of the Panel, be earmarked for specific activities or be given anonymously, and they will be consistent with the functions, operating principles and institutional arrangements of the Panel.

6. In-kind contributions from Governments, the scientific community and other knowledge holders and stakeholders will be key to the success of the implementation of the work programme. In-kind contributions will not orient the work of the Panel and will be consistent with the functions, operating principles and institutional arrangements of the Panel and the regulations and rules of the United Nations and UNEP.

7. Notwithstanding paragraph 5 above, contributions for specific activities approved by the governing body of the Panel may be accepted. Single contributions in excess of 2 million United States dollars per contributor per activity require prior approval by the Bureau. The limitation set out in paragraph 4 above applies. Before any contribution to the Trust Fund is reviewed by the Bureau, potential sources must be reviewed and approved in accordance with the applicable regulations and rules of the United Nations and UNEP.

Currency

8. The currency for budgeting and reporting receipts and expenditures will be the United States dollar. Contributions not paid in United States dollars will immediately be converted at the United Nations exchange rate at the date of cash receipt and recorded by UNEP.

Budget

9. In consultation with the Bureau, the secretariat will prepare a proposal for the budget and transmit it to the members of the governing body of the Panel at least six weeks before the session at which the budget is to be adopted.

10. Budgets must be adopted by consensus by the governing body of the Panel prior to the start of the periods that they cover.

11. The adoption of the budget by the governing body of the Panel will constitute authority to the Executive Secretary to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts approved, provided that the balance of the Trust Fund covers the overall budget appropriation.

12. The Executive Secretary is authorized to reallocate within the budget, if necessary, up to 10 per cent of an appropriation line. This limit may be revisited from time to time by the governing body of the Panel by consensus. A budget appropriation line constitutes a major budget category for activities or products.

13. In the event that the available balance in the Trust Fund is less than the approved budget, the Executive Secretary, following approval by the Bureau, is authorized to adjust the allocations to bring the budget into line with the actual income received. The Executive Secretary cannot allocate to a budget line more than the level approved by the governing body of the Panel for that specific budget line item. The Executive Secretary will report to the governing body of the Panel at its earliest session thereafter on any such adjustments.

Contributions

14. The resources of the Panel will consist of:

- (a) The cost of any staff seconded to the secretariat;
- (b) The cost of housing the secretariat, if provided by a host Government;
- (c) Voluntary cash contributions provided by members of the Panel and other contributors to the Trust Fund;
- (d) In-kind contributions provided to the Panel and its secretariat;
- (e) Other receivables.

15. All cash contributions will be paid in convertible currencies into the bank account designated by UNEP. Contributions supporting the work programme of a given year should be made as early as possible, and, if possible, before the start of the year, to allow timely programming and implementation.

16. The secretariat will acknowledge all pledges and contributions promptly and will inform the governing body of the Panel at each session regarding the status of pledges, contributions and expenditures. The report of the secretariat will include a specific reference to in-kind contributions to the extent that they can be feasibly and reliably measured.

Working capital reserve

17. UNEP will maintain an adequate level of operating reserve in the Trust Fund to cover any delays in payment of contributions and unforeseen expenditures and to meet the final expenditures of trust fund activities, including liquidating liabilities. The amount of the reserve will be based on an objective assessment of the scope and type of the planned activities as agreed in the work programme, the estimated annual expenditures and the financial risks associated with the activities of the Trust Fund. Drawdowns from the reserve will be initiated by the Executive Secretary, in consultation with the Bureau, after informing the members of the governing body of the Panel. The reserve will be restored from contributions as soon as possible and as a priority.

Accounts and audit

18. The financial statements of the Trust Fund will be prepared in accordance with International Public Sector Accounting Standards and the relevant standards used by UNEP and will be subject to internal and external audit practices as stipulated in the United Nations financial regulations and rules. Such financial statements and any remarks relevant to the Trust Fund made by the auditors will be presented to the governing body of the Panel. Responsibility and accountability for financial reporting reside with UNEP.

General provisions

19. In the event that it is decided to terminate the Trust Fund, the members of the governing body of the Panel will be advised at least six months before the date on which termination is to take place. The prorated uncommitted overall balances will be reimbursed to the contributors after all liquidation expenses and all liabilities have been met.

20. In the event that it is decided to dissolve the secretariat, UNEP will be advised at least one year before the date on which dissolution is to take place. All liabilities and costs pertaining to the dissolution will be borne by the Trust Fund.
21. Any amendments to the present procedures will be adopted by the governing body of the Panel by consensus.

ADVANCE