



# United Nations Environment Programme



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## MEDITERRANEAN ACTION PLAN

18<sup>th</sup> Ordinary Meeting of the Contracting Parties to  
the Convention for the Protection of the Marine Environment  
and the Coastal Region of the Mediterranean and its Protocols

Istanbul, Turkey, 3-6 December 2013

### Corrigendum

#### **Draft Decisions for the 18<sup>th</sup> Meeting of the Contracting Parties**

**(Proposed amendments to the text of Draft Decision IG21/15  
"Financial Regulations and Rules and Procedures for the Contracting Parties, its  
subsidiary bodies and the Secretariat of the Convention for the Protection of the  
Marine Environment and the Coastal Region of the Mediterranean")**

**Draft Decision IG.21/15**

**Financial Regulations and Rules and Procedures for the Contracting Parties, its subsidiary bodies and the Secretariat of the Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean**

UNEP notes the Parties' request for clarification and reference to specific denominations of the trust funds. However, UNEP advises against specific references or naming formats. The UN system will be adopting a new enterprise resource planning system, titled "Umoja", which UNEP is scheduled to go live on 1st July 2014. Under this new system, various aspects of business practice will change, and this may affect the denominations to trust funds.

Therefore this corrigendum modifies Procedure 3 of the text of the Draft Decision to be adopted by the Parties accordingly.

In addition, UNEP has prepared the following explanatory note to accompany the Financial Procedures.

**Explanatory note from UNEP**

**I. Procedure 3**

- a. Paragraph 1 of Procedure 3 refers to the trust fund denominated MEL.
- b. Paragraph 3 of Procedure 3 includes reference to the trust fund denominated QML. The Account that has been established includes a UNEP project which shall receive discretionary contributions, which shall be maintained separately from any other voluntary contribution made by other parties to the support of the Programme of Work and Budget as approved by the Contracting Parties.
- c. Paragraph 4 of Procedure 3 refers to the trust fund denominated CAL.

The revised Annex 1 "Financial Rules and Procedures for the funds of the Barcelona Convention" to the Draft Decision IG. 21/15 "Financial Regulations and Rules and Procedures for the Contracting Parties, its subsidiary bodies and the Secretariat of the Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean" is provided below:

## **Annex 1**

### **Financial Rules and Procedures for the funds of the Barcelona Convention**

#### **Scope**

The Financial Regulations, Rules and Procedures of the Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean (Barcelona Convention) are the Financial Regulations and Rules of the UN and the Financial Rules of UNEP as supplemented by the additional procedures established below.

These Procedures shall govern the financial administration of the Barcelona Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean, its Protocols and its subsidiary bodies and the Convention Secretariat.

#### **Financial period**

##### **Procedure 1**

The financial period shall be for one calendar year from 1<sup>st</sup> January to 31<sup>st</sup> December. The biennial programme of work and budget of the Barcelona Convention shall consist of two consecutive calendar years, the first of which shall be an even year<sup>1</sup>.

#### **Budget**

##### **Procedure 2**

1. The Coordinator of the Secretariat to the Barcelona Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean (hereinafter referred to as the Coordinator) shall prepare the budget estimates for the following biennium in Euro and US Dollars showing projected income and expenditures for each year of the biennium concerned. The budget should be presented in a programmatic format harmonized to the extent appropriate with those used by UNEP. The Coordinator, after consultation with, and clearance by the Executive Director of UNEP, shall dispatch the draft budget to all Parties one month before the last meeting of the National Focal Points before the COP for their consideration. Thereafter the Coordinator shall dispatch the revised estimates, as well as the actual income and expenditure for each year of the previous biennium, to all parties to the Convention at least 2 months before the opening of the meeting of the Contracting Parties at which the budget is to be adopted.

2. As per UN Financial Regulation 6.3<sup>2</sup>, the base currency of the United Nations is the US dollar. Appropriations, allocations, revenue and expenses are managed, maintained and audited in UNEP's accounts, and reflected in UNEP's financial statements, in US dollars. Losses/gains on exchange may be charged/credited to the working capital reserve. Notwithstanding this provision, in accordance with decision UNEP(DEC)MED IG.13/8 adopted by the Eleventh Meeting of the Contracting Parties to the Barcelona Convention (Monaco) in 2001, the Conference of Parties shall decide on the budget in Euros. .

3. The Coordinator shall provide the Conference of the Parties with cost estimates for actions that have budgetary implications that are not foreseen in the draft programme of work but are included in proposed draft decisions prior to the adoption of those decisions by the Parties.

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<sup>1</sup> The financial period pertains to accounting and auditing, while the budget shall be available for expenditure during the whole biennium

<sup>2</sup> 2ST/SGB/2003/7, as may be amended.

4. The Contracting Parties shall, prior to the commencement of the financial period that the budget covers, consider the budget estimates and adopt an operational budget by consensus entrusting UNEP to certify and authorize expenditures, other than those referred to in procedure 4, paragraphs 3 and 4 below.

5. Adoption of the operational budget by the Contracting Parties shall constitute the basis for UNEP to issue allotments and to incur commitments and make payments for the purposes for which the appropriations were approved, provided always that, unless specifically authorized by the Executive Director, commitments shall be covered by related income.

6. UNEP may upon proposal from the Coordinator make budget transfers within each of the main appropriation lines of the approved operational budget. The Co-ordinator may also approve transfers between such appropriation lines within criteria set by the CoPs.

## **Funds**

### **Procedure 3**

1. A Trust Fund for the Barcelona Convention has been established by the Executive Director of the United Nations Environment Programme and approved by the governing body of UNEP. The fund is to provide financial support for the work of the Convention Secretariat. Contributions made pursuant to procedure 4, paragraph 1 (a) below, shall be credited to this fund.

2. Within the above trust fund there shall be maintained a working capital reserve. The purpose of the working capital reserve shall be to ensure continuity of operations in the event of a temporary shortfall of cash as well as to provide for potential losses on exchange. Drawdowns from the working capital reserve may be authorized by the Executive Director and shall be replenished from contributions, or gains on exchange, as soon as possible. The level of the working capital reserve shall be determined by the Conference of the Parties by consensus, bearing in mind the desirability of bringing its level to the recommended UN rate of 15% of the average annual budget for the biennium, inclusive of programme support costs, as rapidly as possible.

3. An account to receive discretionary contribution to complement the support for the work of the Convention Secretariat has been established by UNEP in accordance with the respective UN Regulations and Rules. This account shall receive contributions pursuant to procedure 4, paragraphs 1 (b) below.

4. Contributions by the Government hosting the Convention Secretariat to offset operational budget expenditures of the Coordinating Unit and contributions made by the United Nations Environment Programme pursuant to Procedure 4.1 shall be credited to a dedicated fund.

5. A Trust Fund to receive voluntary contributions in support to activities as defined in the Programme of Work approved by the Contracting Parties has been established by the Executing Director of UNEP and approved by the Governing Body of UNEP. This fund shall receive contributions pursuant to procedure 4, paragraph 1 (c).

6. The combination of the fund and account mentioned in paragraphs 1, 3 and 5 above is referred to as Mediterranean Trust Fund (MTF) within the context of the Mediterranean Action Plan.

7. All budget expenditures that are made pursuant to Procedure 2.5 shall be charged to the funds and accounts mentioned hereinabove.

8. In the event that the Contracting Parties wish to terminate a trust fund established pursuant to the present procedures, they shall so advise the Executive Director of the United Nations Environment Programme at least six months before the date of termination so decided. The Contracting Parties shall decide, in consultation with the Executive Director of the United Nations Environment Programme, on the distribution of any uncommitted balances after all liquidation expenses have been met. Any such termination of a trust fund shall be in accordance with UN/UNEP Regulations, Rules, Procedures and standard business practice.

## **Contributions**

### **Procedure 4**

1. The resources of the Contracting Parties shall comprise:

- (a) Contributions made each year by parties on the basis of an assessed scale adopted by consensus by the Contracting Parties and based on such a scale of assessments of the United Nations as may be adopted from time to time by the General Assembly;
- (b) Discretionary Contributions made each year by parties in addition to those made pursuant to paragraph (a);
- (c) Voluntary Contributions from States parties to the Convention, as well as other governmental, intergovernmental and non-governmental organizations and other sources;
- (d) The Executive Director of UNEP may also allot funds to the Mediterranean Coordinating Unit.
- (e) Miscellaneous revenue.

2. In respect of contributions made pursuant to procedure 4, paragraph 1 (a) above:

- (a) The Executive Director of UNEP, through the Coordinator shall inform the Contracting Parties of their contributions in Euro under the agreed scale;
- (b) Contributions for each calendar year are expected within the first quarter of that year and should be paid promptly and in full. Parties should be notified of the amount of their contributions for a given year by 15 October of the previous year;
- (c) Each Party shall, as far in advance as possible of the date due for the contribution, inform the Coordinator of the projected timing of its contribution;
- (d) If contributions of any parties have not been received by the first quarter of the relevant year, the Coordinator shall write to those parties to impress upon them the importance of paying their respective contributions for the year as well as arrears for prior periods, if any, and to remind them of the loss of their voting rights at any meeting of the Contracting Parties pursuant to Rule 42 of the Rules of Procedure of the Barcelona Convention, and shall report to the Bureau and to the Contracting Parties at their next meetings on the consultations with such parties;
- (e) The Coordinator shall propose to any Party whose contributions are in arrears for two or more years, a payment schedule to enable such a Party to clear all outstanding arrears within a maximum of six years, depending on the financial

circumstances of the Party, and to pay future contributions by their due dates. The Coordinator shall report to the Bureau and to the Contracting Parties at their next meetings on progress under any such schedule;

(f) With regard to contributions due from 1 January 2014 onwards any party whose contributions are in arrears for two or more years shall not be eligible to become a member of the Bureau of the Contracting Parties or any of its subsidiary bodies. This provision shall not apply to Parties that have agreed on and are respecting a schedule of payments implemented in accordance with paragraph (e) above;

4. Discretionary and voluntary contributions made pursuant to procedure 4, paragraphs 1 (b) and (c), shall be used in accordance with such terms and conditions, consistent with the objectives of the Convention and the Financial Regulations, Rules, Policies and Procedures of the United Nations Environment Programme, as may be agreed between the Executive Director and the respective contributors.

5. All contributions shall be paid in Euro, or in another convertible currency and credited to an official UNEP bank account, the details of which are to be provided by the Executive Director. This bank account is to be managed in accordance with the Financial Regulations and Rules of the United Nations.

6. UNEP shall acknowledge promptly the receipt of all pledges and contributions and the Coordinator shall publish on the Convention website up to date information on the status of pledges and payments of contributions.

7. Contributions not immediately required shall be invested in accordance with procedures of the UN's Office of Programme Planning, Budget and Accounts on behalf of the Executive Director of the United Nations Environment Programme. The resulting income or losses shall be applied to the relevant Trust Fund in accordance with the Financial Regulations and Rules of the United Nations.

### **Accounts and audit**

#### **Procedure 5**

1. The accounts and financial management of all funds governed by the present procedures shall be subject exclusively to the internal and external audit process of the United Nations.

2. A statement of accounts for the financial period shall be provided to the Contracting Parties as soon as possible after the accounts for the financial period are closed and audited. This statement of accounts shall be an extract from the audited financial statements of UNEP.

3. The Contracting Parties shall be informed of any remarks in the reports of the United Nations Board of Auditors on financial statements of the United Nations Environment Programme that are relevant to the Barcelona Convention.

### **Administrative support**

#### **Procedure 6**

The Contracting Parties shall reimburse UNEP for the support services provided to the Contracting Parties, its subsidiary bodies and the Convention Secretariat from the expenditures incurred based on the funds referred to in procedure 3 above. This practice is

in accordance with the general policy and business practice of the United Nations and applicable agreements between UNEP and donors.

### **Public Disclosure**

#### **Procedure 7**

All approved programme of work and budget documents, financial statements and audit reports concerning the Barcelona Convention/Mediterranean Plan of Action (MAP) shall be made publicly accessible and posted on the MAP website.

### **Amendments**

#### **Procedure 8**

Any amendment to the present document shall be adopted by the Contracting Parties by consensus.

### **Entry into Effect**

#### **Procedure 9**

These Financial Rules and Procedures, as agreed by the Executive Director of UNEP and adopted by the Contracting Parties, shall be effective from 1 January 2014.