

RC-1/4: Financial rules for the Conference of the Parties, its subsidiary bodies and the Convention secretariat

The Conference of the Parties,

Recalling paragraph 4 of article 18 of the Rotterdam Convention,

Adopts the financial rules set out in the annex to the present decision for its operation and that of any subsidiary bodies.

Annex

Financial rules

A. Scope

1. The present rules shall govern the financial administration of the Conference of the Parties to the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, its subsidiary bodies and the Convention secretariat. In respect of matters not specifically provided for by the present rules, the Financial Regulations and Rules of the United Nations shall apply.

B. Financial period

2. The financial period shall be a biennium consisting of two consecutive calendar years.

C. Budget

3. The head(s) of the Convention secretariat shall prepare the budget proposal for the following biennium in US dollars and showing projected income and expenditures for each year of the biennium concerned as well as show the actual income and expenditures for each year of the previous biennia. This information shall be dispatched to all Parties to the Convention at least 90 days before the opening of the meeting of the Conference of the Parties at which the budget is to be adopted.

4. The Conference of the Parties shall consider the budget proposal and adopt an operational budget by consensus authorizing expenditures, other than those referred to in paragraphs 9 and 10, prior to the commencement of the financial period that it covers.

5. Adoption of the operational budget by the Conference of the Parties shall constitute authority to the head(s) of the Convention secretariat to incur obligations and make payments for the purposes for which the appropriations were approved and up to the amounts so approved, provided always that, unless specifically authorized by the Conference of the Parties, commitments are covered by related income.

6. The head(s) of the Convention secretariat may make transfers within each of the main appropriation lines of the approved operational budget. The head(s) of the Convention secretariat may also make transfers between such appropriation lines up to limits that the Conference of the Parties may set as appropriate.

D. Funds

7. A general trust fund for the Convention shall be established. It shall be managed by the head(s) of the Convention secretariat. The fund is to provide financial support to the work of the Convention secretariat. Contributions made pursuant to paragraph 12 (a) shall be credited to this fund. Contributions made to offset operational budget expenditures that are made, pursuant to paragraph 12 (b) by the Government hosting the Convention secretariat or pursuant to paragraph 12 (c) by the United Nations Environment Programme and the Food and Agriculture Organization of the United Nations, shall also be credited to this fund. All budget expenditures that are made pursuant to paragraph 5 above shall be charged to the General Trust Fund.

8. Within the General Trust Fund there shall be maintained a working capital reserve at a level to be determined from time to time by the Conference of the Parties by consensus. The purpose of the working capital reserve shall be to ensure continuity of operations in the event of a temporary shortfall of cash. Drawdowns from the working capital reserve shall be restored from contributions as soon as possible.

9. A special trust fund shall be established. It shall be managed by the head(s) of the Convention secretariat. This fund shall receive contributions pursuant to paragraphs 12 (b) and (c) that have been earmarked to support, in particular:

(a) Facilitation and promotion of technical assistance, training and capacity-building in accordance with article 16;

(b) Appropriate participation of representatives of developing country Parties, in particular Least Developed country Parties amongst them, and of Parties with economies in transition in the meetings of the Conference of the Parties and its subsidiary bodies;

(c) Other appropriate purposes consistent with the objectives of the Convention.

10. Other trust funds earmarked in accordance with paragraph 15 for purposes other than those referred to in paragraph 9 may be set up provided that their purposes are consistent with the objectives of the Convention and that the Conference of the Parties has approved their establishment.

11. In the event that the Conference of the Parties decides to terminate a Trust Fund established pursuant to the present rules, it shall so advise the Trustee of the Fund ("the Trustee") at least six months before the date of termination so decided. The Conference of the Parties shall decide, in consultation with the Trustee, on the distribution of any uncommitted balances after all liquidation expenses have been met.

E. Contributions

12. The resources of the Conference of the Parties shall comprise:

(a) Contributions made each year by parties on the basis of an indicative scale adopted by consensus by the Conference of the 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, adjusted so as to ensure that no party contributes less than 0.01 per cent of the total, that no one contribution exceeds 22 per cent of the total and that no contribution from a least developed country party exceeds 0.01 per cent of the total;

(b) Contributions made by parties in addition to those made pursuant to paragraph (a), including those made by the Government(s) hosting the Convention secretariat;

(c) Contributions from States not parties to the Convention, as well as governmental, intergovernmental and non-governmental organizations, and other sources;

(d) The uncommitted balance of appropriations from previous financial periods;

(e) Miscellaneous income.

13. The Conference of the Parties shall, in adopting the indicative scale of contributions referred to in paragraph 12 (a), make adjustments to take account of contributions of parties which are not members of the United Nations, as well as those regional economic integration organizations that are parties.

14. In respect of contributions made pursuant to paragraph 12 (a):

(a) Contributions for each calendar year are expected on 1 January of that year;

(b) Each party shall, as far in advance as possible of the date expected for the contribution, inform the head(s) of the Convention secretariat of the contribution it intends to make and of the projected timing of that contribution.

15. Contributions made pursuant to paragraph 12 (b) and (c) shall be used in accordance with such terms and conditions, consistent with the objectives of the Convention and the Financial Regulations and

Rules of the United Nations, as may be agreed between the head(s) of the Convention secretariat and the contributor.

16. Contributions made pursuant to paragraph 12 (a) from States and regional economic integration organizations that become parties to the Convention after the beginning of a financial period shall be made pro rata temporis for the balance of that financial period. Consequential adjustments shall be made at the end of each financial period for other parties, unless the Conference of the Parties decides otherwise.

17. All contributions shall be paid in United States dollars or the equivalent in a convertible currency into a bank account to be designated the Trustee, in consultation with the head(s) of the Convention secretariat.

18. The head(s) of the Convention secretariat shall acknowledge promptly the receipt of all pledges and contributions and shall inform the Parties, twice a year, of the status of pledges and payments of contributions.

19. Contributions not immediately required shall be invested at the discretion of the Trustee, in consultation with the head(s) of the Convention secretariat. The resulting income shall be credited to the relevant fund or funds referred to in paragraphs 7, 9 and 10.

F. Accounts and audit

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

21. An interim statement of accounts for the first year of the financial period shall be provided to the Conference of the Parties during the second year of the period, and a final audited statement of accounts for the full financial period shall be provided to the Conference of the Parties as soon as possible after the accounts for the financial period are closed.

G. Administrative support costs

22. The Conference of the Parties shall reimburse the Trustee for the services provided to the Conference of the Parties, its subsidiary bodies and the Convention secretariat from the funds referred to in paragraphs 7, 9 and 10 under such terms as may from time to time be agreed upon between the United Nations Environment Programme and the Food and Agriculture Organization of the United Nations, and approved by the Conference of the Parties in accordance with article 19, paragraph 3, of the Convention or, in the absence of such agreement, in accordance with the general policy of the United Nations.

H. Amendments

23. Any amendment to the present rules shall be adopted by the Conference of the Parties by consensus.
