

Financial matters under the Basel Convention

Note by the Secretariat

1. The Secretariat has prepared the present document, which provides information on income and expenditures under the Basel Convention General Trust Fund and Technical Cooperation Trust Fund for the bienniums 2016–2017 and 2018–2019, including status of arrears under the General Trust Fund, and on the preparation of the budget for the biennium 2020–2021.

2. The official 2017 financial statements of the United Nations Environment Programme have not yet been published and therefore the financial information provided below is provisional. In 2014, the United Nations adopted the International Public Sector Accounting Standards (IPSAS) which are used for the preparation of financial statements. However, unless otherwise specified, for the purpose of reporting on budget implementation, the United Nations continues to use the United Nations System Accounting Standards (UNSAS). In view of this, expenditures include unliquidated obligations.

I. Status of the General Trust Fund for assessed contributions

A. Programme of work for the biennium 2016–2017

3. At its twelfth meeting, in decision BC-12/25, the Conference of the Parties to the Basel Convention approved a budget of US dollars 9,404,845 (including programme support costs) for the biennium 2016–2017.

4. Based on this approved budget, Parties were to cover through their assessed contributions US dollars 9,383,845, which is the approved budget for the biennium adjusted with the change in the operational reserve and possible utilization of the unearmarked balance of the General Trust Fund. As of 30 April 2018, US dollars 8,841,314 or 94 % of the total annual assessed contributions for 2016–2017 have been received. For more detailed information regarding arrears, please see section II below, as well as the annex to the present note.

5. The provisional expenditures incurred for the biennium 2016–2017 from the General Trust Fund amounted to US dollars 8,691,014. This represents an implementation ratio of 92% against the approved budget. This balance is not carried over or re-phased into the 2018 period. The use of the balance will be decided upon by the Conference of the Parties, at its next meeting in 2019. Detailed expenditures by activity are set out in the report prepared by the Secretariat on the implementation of the programmes of work and budgets of the Basel, Rotterdam and Stockholm conventions for the biennium 2016–2017.¹

B. Programme of work for the biennium 2018–2019

6. At its thirteenth meeting, in decision BC-13/24, the Conference of the Parties to the Basel Convention approved a budget of US dollars 9,634,869 (including programme support costs) for the biennium 2018–2019.

7. For the approved budget of the biennium, Parties will cover through their assessed contributions US dollars 9,652,121 which is the approved budget for the biennium adjusted with the change in the operational reserve and possible utilization of the unearmarked balance of the General Trust Fund. As of 30 April 2018, US dollars 2,478,078 or 51 % of the total annual assessed contributions for 2018 have been received. As per the financial rules, in particular rule 5, paragraph 3 (a) “contributions for each calendar year are expected by 1 January of that year and should be paid promptly and in full”. Requests for payment of assessed contributions for 2018 were sent in October 2017. Late payments in 2018 may cause delay in delivery of mandated activities.

8. The provisional expenditures incurred for the first four months of the biennium 2018–2019 amounted to US dollars 977,288 as at 30 April 2018. This represents an implementation ratio of 21% against the annual budget.

¹ See <http://www.basel.int/Implementation/ProgrammeofWork/tabid/1283/Default.aspx>.

II. Arrears to the General Trust Fund

9. As per the financial rules, in particular rule 5, paragraphs 3 (c) and (d), the Secretariat maintains records of arrears and, as of 30 April 2018, they were representing a total amount of US dollars 820,247 corresponding to 84 Parties, with regard to the General Trust Fund. Out of these Parties in arrears, 23 are Least Developed Countries (LDCs) and 18 are Small Island Developing States (SIDS). An overview of Parties with arrears including an annual breakdown of each Party's arrears is set out in the annex to the present note.

10. In accordance with the provisions of paragraph 3 (e) of rule 5 of the financial rules and decisions BC-12/25 and BC-13/24, the Conference of the Parties to the Basel Convention decided the implementation of the following measures:

(a) With regard to arrears for 2 or more years:

“Any Party whose contributions are in arrears for two or more years shall not be eligible to become a member of any Bureau of the Conference of the Parties or its subsidiary bodies”; however, this shall not apply to Parties that are LDCs or SIDS or to Parties that have agreed on and are respecting a schedule of payments;

(b) With regard to arrears for 4 or more years:

(i) “Any Party whose contributions are in arrears for four or more years shall not be entitled to vote at any meeting of the Conference of the Parties unless the Conference decides otherwise”; however, this shall not apply to Parties that are LDCs or SIDS or to Parties that have agreed on and are respecting a schedule of payments;

(ii) “No representative of any Party whose contributions are in arrears for four or more years and that has not agreed on or is not respecting a schedule of payments implemented in accordance with paragraph 3 (d) of rule 5 of the financial rules shall be eligible to receive financial support for attendance at intersessional workshops or other informal meetings.”

11. Constructive efforts have been made by the Secretariat and relevant national authorities in implementing these measures, in order to find a solution to settle all outstanding arrears or to agree on payments plans.

III. Status of the Technical Cooperation Trust Fund for voluntary contributions

A. Programme of work for the biennium 2016–2017

12. At its twelfth meeting, in decision BC-12/25, the Conference of the Parties to the Basel Convention took note of funding estimates of US dollars 9,053,157 (including programme support costs) for activities to be funded from the Technical Cooperation Trust Fund for the biennium 2016–2017.

13. For the biennium 2016–2017, the total provisional pledged contributions exclusively received for the Basel Convention amounted to US dollars 1,821,304 as of 31 December 2017. In addition, the Basel, Rotterdam and Stockholm conventions received joint voluntary contributions for an amount of US dollars 3,428,049 in total. These funds are kept in the Stockholm Convention Voluntary Trust Fund in a separate account for joint funds.

14. The provisional expenditures incurred for the biennium 2016–2017 amounted to US dollars 1,841,992 (including programme support cost). These expenditures are covered by income that has been received both during that biennium and unused carry-over funds from the previous biennium. Detailed voluntary expenditures by activity are set out in the report prepared by the Secretariat on the implementation of the programmes of work and budgets of the Basel, Rotterdam and Stockholm conventions for the biennium 2016–2017.²

15. It should be noted that most of the voluntary funds are earmarked by donors for specific projects or programmes and mainly for technical assistance activities, and contrary to the assessed

² See <http://www.basel.int/Implementation/ProgrammeofWork/tabid/1283/Default.aspx>.

contributions, the pledged funds may be carried over to future years and bienniums, subject to the terms of the donor agreements and the approved programme of work of the Convention.

16. In accordance with the decisions BC-10/28, RC-5/1 and SC-5/2 of the conferences of the Parties to the Basel, Rotterdam and Stockholm conventions, the Executive Secretary liaised with the Executive Director of the UN Environment Programme with a view to ensuring a waiver of the 13% programme support costs for meeting participant travel of funded participants in a view that the savings in programme support costs will be used to augment representation of eligible Parties from developing countries and ensuring adequate geographic representation from each region to the meeting. During the biennium 2016–2017, the BRS Secretariat received a waiver or reduction of programme support costs for four meetings: for the 2017 meetings of the conferences of the Parties and the tenth meeting of the Open-Ended-Working Group. The total estimated programme support costs waived were US dollars 275,937 for all three conventions. The purpose of the programme support costs is to cover the incremental costs incurred when supporting activities financed from extra budgetary contributions.

B. Programme of work for the biennium 2018–2019

17. At its thirteenth meeting, in decision BC-13/24, the Conference of the Parties to the Basel Convention took note of funding estimates of US dollars 6,657,894 (including programme support costs) for activities to be financed from the Technical Cooperation Trust Fund for the biennium 2018–2019.

18. For the year 2018, as at 30 April 2018, the total provisional pledged contributions exclusively received for the Basel Convention were US dollars 136,889 in support of the activities to be financed from the Technical Cooperation Trust Fund. As of 30 April 2018, the Basel, Rotterdam and Stockholm conventions have not received any joint voluntary contributions for the biennium.

19. The provisional expenditures incurred for the first four months of the 2018–2019 biennium amounted to US dollars 402,661, as at 30 April 2018.

IV. Preparation of the budget for the biennium 2020–2021

20. The Secretariat has started the preparation of the funding scenarios for the budgets of the conventions for the biennium 2020–2021 for consideration by the conferences of the Parties at their meetings in May 2019. As requested by the Conference of the Parties to the Basel Convention, in its decision BC-13/24 on programme of work and budget for the biennium 2018–2019, two alternative scenarios are being prepared for the core budget: a zero nominal growth scenario and an Executive Secretary's scenario which should not exceed a 5 per cent increase over the 2018–2019 level in nominal terms. The programme of work and budget for the biennium 2020–2021 will be made available to all Parties by 29 January 2019 (90 days before the opening of the 2019 meeting of the Conferences of the Parties).

Annex

Parties with arrears to the Basel Convention's General Trust Fund as at 30 April 2018

Country	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
Antigua and Barbuda ²	115	119	121	122											477
Bahrain ²	2,244	2,330													4,574
Belize ²	58	60	61	61	56	57									353
Benin ¹	173	179	182	27											561
Bolivia	518														518
Brazil	6,360														6,360
Burkina Faso ¹	173	179	182	183	167	170	110								1,164
Burundi ¹	58	60	61	61	56	57	59	55	52						519
Cameroon	691	717	726	731											2,865
Cabo Verde ²	58	60													118
Central African Republic ¹	58	60	61	61	56	57	59	55	52	44					563
Chad	115														115
Colombia	14,905														14,905
Comoros ^{1,2}	58	60	61	61	8										248
Congo	29														29
Cook Islands ²	58	60	61	61	56	57	59	55	52	51	49	49	42		710
Costa Rica	2,187	2,270	2,300	2,316	1,888	1,245									12,206
Côte d'Ivoire	633	657	666												1,956
Cuba ^{2,3}	3,971	4,123	4,175	4,205	3,943	4,034	3,162	2,972	2,830	2,204	2,114	2,114	1,819	7	41,673
Democratic People's Republic of Korea	345	358	363	366	389	398	410	385	367						3,381
Democratic Republic of the Congo ¹	173	179	182	183	167	170	176	165	157	154	147	147	127		2,127
Djibouti ¹	58	60	61	61	56	57	59								412
Dominica ²	58	60	61	61	56	57	59	55	52	51	49	49	42		710
Dominica Republic	2,590														2,590
Ecuador	122														122
Egypt	7,711	8,006													15,717
El Salvador	921	956													1,877
Equatorial Guinea ¹	575	597	484	487	444	455	117	110	105	102	98	98	85		3,757
Ethiopia ¹	575	597													1,172
Gabon	1,151	1,195	1,210	1,219											4,775
Gambia ¹	58	60													118
Greece	36,715														36,715
Guinea ¹	58	60	61	61											240
Guinea-Bissau ^{1,2}	58	60	61	61	56	57	59	55	52	51	49				619
Guyana	58														58
Iceland	1,554	20													1,574
Indonesia	19,912														19,912
Iran (Islamic Republic of) ³	20,487	21,270	8,114												49,871
Iraq	3,913	4,063													7,976
Jamaica	633														633
Kenya	748	778													1,526
Kiribati	58														58
Lebanon	2,417	2,509	2,542	50											7,518
Liberia ¹	58	60	61	61	20										260
Libya	8,172	8,484	4,973												21,629

Country	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
Madagascar	97														97
Maldives	58														58
Mali ¹	230	239	242	244	167	170	59	55	52						1,458
Marshall Islands ²	58	60	61	61	56	57	59	55	52	51	49				619
Mauritania ¹	115	119	121	122	56	57	59	55	52	51	49	49	42		947
Micronesia (Federated States of) ²	58	60													118
Nauru ²	58	54													112
Nepal ¹	345	358	363												1,066
Niger ¹	115	119	121	122	111	114									702
Nigeria	5,179	5,377	5,446	5,485											21,487
Norway	48,609														48,609
Pakistan	4,892	5,078	5,180	342											15,492
Palau ²	58	60	61	61	56	57									353
Panama	1,496	1,553	117												3,166
Papua New Guinea ²	230	239	242	11											722
Peru	182														182
Portugal	26,915														26,915
Qatar	12,027														12,027
Rwanda	115														115
Saint Kitts and Nevis ²	58	60													118
Saint Vincent and the Grenadines ²	58	60	61	61	56	57	59	55	52	51	49	49	42		710
Sao Tome and Principe ^{1,2}	58	60	61												179
Saudi Arabia	49,721	51,621	52,284												153,626
Senegal ¹	345	358	363	366	333	262									2,027
Somalia ¹	58	60	61	61	56	57	59								412
Sri Lanka	1,429														1,429
State of Palestine	58	60													118
Sudan ¹	575	597	484	487	555	568									3,266
Suriname ²	230	239	242	244											955
Syrian Arab Republic	2,072	2,151	2,178	2,194	1,388	1,420	801								12,204
Thailand	102														102
The former Yugoslav Republic of Macedonia	460	478	484												1,422
Togo ¹	58														58
Trinidad and Tobago	2,220														2,220
Turkmenistan	1,093	1,135	1,150	1,158	1,444										5,980
United Arab Emirates	34,241	1,308													35,549
Uzbekistan	694														694
Venezuela (Bolivarian Republic of)	36,082	37,461	37,942	38,211	17,437	17,839									184,972
Yemen ¹	575	597	605	609	555	568	410	385	367	29					4,700
Total	372,664	169,867	134,699	60,338	29,688	28,097	5,835	4,512	4,294	2,839	2,653	2,555	2,199	7	820,247

Notes

¹Least Developed Country²Small Island Developing State³Experiencing difficulties with making payments due to international banking restrictions