



**CONVENTION ON MIGRATORY SPECIES**  
**MEMORANDUM OF UNDERSTANDING ON THE CONSERVATION OF MIGRATORY SHARKS**

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FIRST MEETING OF THE SIGNATORIES TO THE  
MEMORANDUM OF UNDERSTANDING ON THE  
CONSERVATION OF MIGRATORY SHARKS  
Bonn, Germany, 24-27 September 2012  
Agenda Item 10

**PROPOSED BUDGET FOR THE SHARKS MOU SECRETARIAT**

*(Prepared by the Interim Secretariat)*

**Background:**

1. As referred to in CMS/Sharks/MOS1/Doc.10.1, and taking into account the political nature and growing interest in the MoU, a fully operational Secretariat would require sustainable funding to administer and assist with the implementation. The present document provides a proposal for resourcing the interim Secretariat in pursuance to Section 8 of the MoU.

Budget Proposal

2. A budget proposal aimed at providing adequate and predictable resources for the MoU is presented in Annex I of the present document. Based on prevailing practice among the CMS Family of instruments, a three-year budget cycle is being proposed with a review of performance taking place at the Meeting of the Signatories during the third year of the period. The proposal is based on the continued operations of the interim Secretariat at its current location at the CMS headquarters in Bonn, Germany. However, the decision of the Signatories concerning the Secretariat's permanent seat may affect the level of resources required.

*Staff Costs*

3. Under the present arrangements, the interim Secretariat benefits from the managerial direction and support provided by staff of the CMS Secretariat. Consequently, it has been able to rely on junior professional staff to perform many of its day-to-day functions. With the establishment of the Sharks MoU Secretariat, CMS will continue to provide managerial guidance and other support to the Secretariat, however, at a minimum, a full-time Programme Officer (P-3) supported by a part-time (50 per cent) Administrative Assistant (G-5) will be required to meet the increasing demands of a fully operational Secretariat.

4. In the event that Signatories decide to locate the Secretariat away from CMS headquarters, the Secretariat will need to become more self-reliant. In particular, the ability of CMS to provide managerial direction and administrative and financial support will be significantly curtailed requiring that the MoU Secretariat be managed by higher-level professional staff with dedicated administrative and financial support.

### *Activities of the Secretariat and Operating Costs*

5. The budget estimates for the activities and operations of the Secretariat are largely based on CMS's experiences with supporting the interim arrangements of the Secretariat and with hosting other similar sized instruments. The projected costs are fairly constant throughout the triennium; however, provisions have been made for an increased level of translation during the third year when Meetings of the Signatories and the Advisory Committee are expected to take place. Also noteworthy is the fact that no provision has been made for the rent and maintenance of office space as these are currently borne by the Government of Germany under the terms of their Agreement in relation to the hosting of the CMS Family in Bonn.

### *Meetings of the Signatories*

6. The significant increase in the budget requirements for the third year of the triennium are due to the fact that both the Second Meeting of the Signatories and the Meeting of the Advisory Committee are scheduled to take place during that year. The costs of these meetings are estimated based on the sponsored participation of approximately twenty-five delegates. However, these costs are likely to grow significantly as efforts are made to encourage widespread participation in the MoU.

### *Meetings of the Advisory Committee*

7. Provision has been made for the establishment and maintenance of an "Online Workspace" to facilitate online collaboration among Advisory Committee members with a view to minimizing meeting costs, as called for in paragraph 26 of the MoU. It is envisaged that at least one meeting of the Advisory Committee will need to be convened during the triennium to facilitate the work of its members and, as requested in the aforementioned paragraph, a meeting is planned to be held in conjunction with the Meeting of Signatories in the third year of the triennium.

## Contributions

### *Indicative Scale of Voluntary Contributions*

8. Based on experiences with resourcing the various instruments within the CMS Family, it is apparent that without adequate and predictable resources, agreements are unable to deliver upon their most fundamental objectives. Reliance on *ad hoc* voluntary contributions to finance an instrument's continuing operations has by and large proved untenable, particularly due to the difficulty of entering into long-term contractual arrangements, such as for staffing, when funding is irregular. In view of this, it is proposed that the Secretariat's budget be apportioned among Signatories, on a voluntary basis, according to the United Nations Scale of Assessment. This practice has been adopted by the IOSEA MoU at its most recent meeting in January 2012.

9. To this end, Annex II provides a proposed indication of the annual contribution for each Signatory to the MoU. The contributions have been calculated using the United Nations General Assembly agreed scale of contributions (A/Res/64/248). However, as per the practice in many of the CMS instruments, the maximum contribution is capped at 20% of the overall budget and the contribution of the European Union has been fixed at 2.5%. In addition, a minimum contribution of €3,000 per Signatory has been introduced in line with practices adopted in AEW, the Gorilla Agreement, and the IOSEA MoU. This is expected to generate an additional €37,939, should all contributions be paid in full. As mentioned below, these additional resources could be allocated towards the operational reserve of a Trust Fund for managing the MoU's resources.

## Financial Arrangements

10. As has been the practice with similar sized instruments within the CMS Family, it is proposed that Signatories request the UNEP Executive Director to establish a United Nations Trust Fund for the management of the MoU's resources. A draft Terms of Reference for the administration of the proposed Trust Fund is provided in Annex III.

11. It is envisaged that the Trust Fund will accommodate any contributions made in accordance with paragraph 17 of the MOU

12. In accordance with the Financial Regulations and Rules adopted by the United Nations General Assembly (UNGA) for the management of Trust Funds, Signatories are advised that Programme Support Costs are charged at a rate of 13 percent on all expenditures incurred. The UNGA imposes this charge to ensure Trust Funds are not subsidized from the core resources of the United Nations and that the administrative costs are fully covered by the Trust Funds. For UNEP-administered Trust Funds, the practice has been that a portion of the resources generated from Programme Support Costs is used to directly support the administration of the Trust Fund while the remainder is used by UNON and UNEP-headquarters to cover their costs associated with the Trust Fund's administration. As shown in Annex I, the proposed budget is expected to generate Programme Support Costs amounting to €131,825 over the triennium whereas the direct administrative and finance services provided by CMS are expected to cost €65,799 – roughly 50 percent of the Programme Support Costs generated.

13. Additionally, United Nations Trust Funds require that an operating cash reserve be maintained, normally at the level of 15 percent of annual planned expenditure, to cover shortfalls and to meet the Trust Fund's final expenditures, including liquidating any liabilities. In addition, Trust Fund resources may only be expended once sufficient cash payments have been received to meet initial expenditure estimates and the operating reserve requirement.

14. To this end, it is proposed that an operating cash reserve for the Trust Fund be built-up using contribution surpluses generated by the introduction of a minimum contribution for Signatories. As shown in Annex II, should all Signatories pay their contributions in full, an average surplus of €37,939 will be generated annually. Should the UNEP Executive Director decide to establish the operating cash reserve at the 15 percent level, the €45,534 (i.e. 15 percent of the 2013 budget of €303,559) will be required during the first year of operation. However, since the actual budget required for the first year of operations is significantly lower than average (in particular, much lower than the third year of the triennium), the surplus generated during the first year should be sufficient to cover the requirements of the operating reserve.

### **Action requested:**

The Meeting is invited to:

- a) Review and to adopt the Budget for 2013-2015 as presented in Annex I.
- b) Agree to share the costs based on the apportionment given in Annex II.
- c) Request the Executive Director of UNEP to establish a Trust Fund as indicated in Annex III.