

OEWG-IV/10: Financial matters

The Open-ended Working Group,

Recalling decision VII/41 on financial matters,

Noting the information on financial matters provided by the Secretariat in accordance with decision VII/41 and the measures agreed by the Expanded Bureau to facilitate the deliberation of financial matters by the Open-ended Working Group and the Conference of the Parties,

Noting also the concern expressed by the Conference of the Parties at its seventh meeting regarding the delays in payment of the agreed contributions by Parties,

Gravely concerned about the rate of depletion of the reserve and fund balance of the Basel Convention Trust Fund,

Noting that this depletion is proceeding faster than expected, owing, among other things, to arrears from prior years and late payment of contributions for 2005,

Recognizing the possible shortage of funds for the proper functioning and operation of the Secretariat in the biennium 2005–2006,

Noting that delays in payments of contributions would further aggravate the financial situation of the Basel Convention Trust Fund,

Mindful of the request by the Conference of the Parties that the Open-ended Working Group and the Expanded Bureau should keep under review the financial information provided by the Secretariat,

1. *Congratulates* those newly assessed Parties which have made timely payment of their contributions for 2005;
2. *Urges* all Parties to pay their contributions promptly and in full, and further urges Parties that have not done so to pay their contributions for prior years as soon as possible and in this context welcomes the monthly publication by the Secretariat on the internet of the list of contributions received;
3. *Invites*, through the Expanded Bureau, the President of the Conference of the Parties at its seventh meeting and the Executive Director of the United Nations Environment Programme to write to the relevant Parties impressing upon them the importance to pay their respective arrears, for 2004 and previous years;
4. *Requests* the Executive Secretary to strengthen efforts to consult with Parties currently in arrears, requesting payment of the arrears and, if necessary, to invite the Party to agree on a payment plan, and to report to the Conference of the Parties at its eighth meeting on these efforts;
5. *Welcomes* the initiatives taken by the Secretariat toward cost saving and improved efficiency in the fields of documentation and information technology;
6. *Encourages* the Secretariat to take further steps to monitor and control costs given the imperative need for the Executive Secretary to ensure that all expenditure is always covered by necessary income;
7. *Requests* the Secretariat to submit a draft budget for the period 2007–2008 to the Open-ended Working Group at its fifth meeting, including if necessary the development of scenarios to maintain the working capital reserve, bearing in mind that the lack of excess reserves will require stringent control of expenditures in order to keep assessed contributions to appropriate levels; and in this context requests the Secretariat to present options for maintaining a balance between income and expenditure over the longer term;
8. *Recalls* paragraph 19 of decision VII/41 requesting the Executive Secretary to provide Parties with an indication of the financial implications of draft decisions, which cannot be met from existing resources within the budget of the Basel Convention Trust Fund at the time when they are presented to the Conference of the Parties at its eighth meeting and recalls that decisions about new activities adopted by the Conference of the Parties at its eighth meeting may require savings in other areas to offset new costs;
9. *Requests* the Secretariat to review the administrative tasks of the Secretariat of the Convention in order to present options for savings to the Conference of the Parties at its eighth meeting;

10. *Also* requests the Secretariat to cooperate with the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants, taking into account decision SC-1/18 of the Conference of the Parties to the Stockholm Convention, in exploring cooperation and synergies and to make recommendations to the Conference of the Parties at its eighth meeting;

11. *Further* requests the Secretariat to provide an assessment to the Conference of the Parties at its eighth meeting of the expected level of contribution for the Technical Cooperation Trust Fund, taking into account contributions in prior years and noting the breakdown of earmarked and unearmarked contributions, so that Parties may identify a limited number of high-priority projects based on the Strategic Plan that could reasonably be assured funding;

12. *Notes* that, in accordance with decision VII/41, the Open-ended Working Group and the Expanded Bureau should continue to review information provided by the Secretariat and recommends that the Secretariat also maintain a dialogue with interested Parties and signatories on progress made on the above issues.