

SC-1/3: Financial rules for the Conference of the Parties, its subsidiary bodies and the Convention Secretariat

The Conference of the Parties,

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

Annex to decision SC-1/3

Financial rules

Scope

Rule 1

The present rules shall govern the financial administration of the Conference of the Parties to the Stockholm Convention on Persistent Organic Pollutants, 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.

Financial period

Rule 2

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

Budget

Rule 3

1. The head of the Convention Secretariat shall prepare the budget estimates for the following biennium in United States dollars showing projected income and expenditures for each year of the biennium concerned. The head of the Convention Secretariat shall dispatch the estimates, as well as the actual income and expenditure for each year of the previous biennium, to all Parties to the Convention at least ninety days before the opening of the meeting of the Conference of the Parties at which the budget is to be adopted.

2. The Conference of the 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 authorizing expenditures, other than those referred to in rule 4, paragraphs 3 and 4.

3. Adoption of the operational budget by the Conference of the Parties shall constitute authority to the head 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 shall be covered by related income.

4. The head of the Convention Secretariat may make transfers within each of the main appropriation lines of the approved operational budget. The head of the Convention Secretariat may also make transfers between such appropriation lines up to limits that the Conference of the Parties may set.

Funds

Rule 4

1. A General Trust Fund for the Convention shall be established by the Executive Director of the United Nations Environment Programme and managed by the head of the Convention Secretariat. The fund is to provide financial support to the work of the Convention Secretariat. Contributions made pursuant to rule 5, paragraph 1 (a), shall be credited to this fund. Contributions made to offset operational budget expenditures that are made, pursuant to rule 5, paragraph 1 (b), by the Government hosting the Convention Secretariat or pursuant to rule 5, paragraph 1 (c), by the United Nations Environment Programme shall also be credited to this fund. All budget expenditures that are made pursuant to rule 3, paragraph 3, shall be charged to the General Trust Fund.

2. 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. Draw downs from the working capital reserve shall be restored from contributions as soon as possible.

3. A Special Trust Fund shall be established by the Executive Director of the United Nations Environment Programme and managed by the head of the Convention Secretariat. This fund shall receive contributions pursuant to rule 5, paragraphs 1 (b) and (c), to support, in particular:

- (a) Facilitation and promotion of technical assistance, training and capacity-building in accordance with Article 12;
- (b) Appropriate participation of representatives of developing country Parties, in particular least developed country Parties among 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.

4. Subject to the approval of the Conference of the Parties, the Executive Director of the United Nations Environment Programme may establish other trust funds, provided that they are consistent with the objective of the Convention.

5. 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 Executive Director of the United Nations Environment Programme at least six months before the date of termination so decided. The Conference of the 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.

Contributions

Rule 5

1. 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 each year by Parties in addition to those made pursuant to paragraph (a) including those made by the Government 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.

2. The Conference of the Parties shall, in adopting the indicative scale of contributions referred to in rule 5, paragraph 1 (a), make adjustments to take account of contributions of Parties that are not members of the United Nations, as well as those of regional economic integration organizations that are Parties.

3. In respect of contributions made pursuant to rule 5, paragraph 1 (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 due for the contribution, inform the head of the Convention Secretariat of the contribution it intends to make and of the projected timing of that contribution.

4. Contributions made pursuant to rule 5, 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 and Rules of the United Nations, as may be agreed between the head of the Convention Secretariat and the contributor.

5. Contributions made pursuant to rule 5, paragraph 1 (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. Consequent adjustments shall be made at the end of each financial period for other Parties.

6. All contributions shall be paid in United States dollars or the equivalent in a convertible currency. They shall be paid into a bank account to be designated by the Executive Director of the United Nations Environment Programme in consultation with the head of the Convention Secretariat. In conversion into United States dollars, the United Nations operational rate of exchange shall be used.

7. The head of the Convention Secretariat shall acknowledge promptly the receipt of all pledges and contributions and shall inform the Parties, once a year, of the status of pledges and payments of contributions.

8. Contributions not immediately required shall be invested at the discretion of the Executive Director of the United Nations Environment Programme, in consultation with the head of the Convention Secretariat. The resulting income shall be credited to the relevant Convention trust fund.

Accounts and audit

Rule 6

1. 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.

2. 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.

Administrative support costs

Rule 7

The Conference of the Parties shall reimburse the United Nations Environment Programme for the services provided to the Conference of the Parties, its subsidiary bodies and the Convention Secretariat from the funds referred to in rule 4, paragraphs 1, 3 and 4, on such terms as may from time to time be agreed upon between the Conference of the Parties and the United Nations Environment Programme or, in the absence of such agreement, in accordance with the general policy of the United Nations.

Amendments

Rule 8

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