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Resolution A.1039(27)

**Adopted on 30 November 2011
(Agenda item 16(c))**

RESULTS-BASED BUDGET FOR THE 2012-2013 BIENNIUM

A. THE REGULAR BUDGET

THE ASSEMBLY,

RECALLING Article 15 of the Convention on the International Maritime Organization, in particular paragraphs (f) and (g) thereof concerning the functions of the Assembly in relation to the Organization's work programme, budget and financial arrangements,

RECALLING FURTHER resolution A.726(17) of 7 November 1991, by which it approved a revised assessment formula for apportioning the contributions of Member States to the Organization's budget; and adopted amendments to the Rules of Procedure of the Assembly concerning enforcement of the payment of contributions,

RECALLING ALSO resolution A.1037(27) of 30 November 2011, by which it approved the Strategic Plan for the Organization for the six-year period 2012 to 2017,

NOTING resolution A.1042(27) of 30 November 2011, by which it approved the Organization's revised Financial Regulations which provide links to be made between the resources required and the results derived from the Organization's Strategic Plan in the preparation of the budget estimates,

NOTING ALSO the provision in regulation 5.1 of the Financial Regulations concerning the use of the Working Capital Fund to finance approved appropriations pending receipt of contributions,

RECOGNIZING ALSO that the funds in the Working Capital Fund could be insufficient to finance the approved appropriations when exceptional and unforeseen circumstances take place pending receipt of contributions,

RECOGNIZING FURTHER the provision in regulation 3.8 of the Financial Regulations concerning supplementary estimates and the past practice of the Assembly in authorizing the Council to approve any necessary recalculation of the appropriations for the second year of the biennium,

1. APPROVES the Organization's results-based budget voted for the 2012-2013 biennium, as in annex 1, of £62,206,200, comprising an appropriation of £30,520,200 for 2012 and, subject to paragraphs 5 and 6 of this resolution, an appropriation of £31,686,000 for 2013;

2. DECIDES that the appropriation voted above shall be financed by contributions from Member States of £29,007,200 for 2012 and £30,170,000 for 2013, after deduction of prospective income comprising:

- (a) reimbursements from the Trading Fund for the costs borne by the regular budget in respect of administrative backstopping support, estimated at £710,000 for 2012 and £713,000 for 2013;
- (b) programme support costs income from donor/trust funds (including multi-donor/trust funds) and the Technical Co-operation Fund, estimated at £663,000 in each year of the biennium; and
- (c) miscellaneous income estimated at £140,000 in each year of the biennium;

3. APPROVES a total of 17.6 meeting-weeks for 2012 and 18.4 meeting-weeks for 2013, as in annex 2, and a total of 298 regular budget posts for the biennium, as in annex 3;

4. AUTHORIZES the Secretary-General to draw upon funds in the Trading Fund, the Headquarters Capital Fund, the Termination Benefit Fund and the Technical Co-operation Fund to finance the approved appropriations. Advances made from these Funds to finance budgetary appropriations during a financial period shall be reported to the Council immediately and reimbursed to each respective Fund as soon as, and to the extent that, income is available for that purpose;

5. AUTHORIZES the Council, at its relevant sessions, to review the approved results-based budget and, if it decides it is necessary, to approve any transfers between strategic results, including appropriate recalculation of the budget estimates and assessment figures, in the light of the budgetary and exchange rate situation prevailing at that time;

6. INSTRUCTS the Council, at its 108th and 109th sessions, to identify any potential programme and budgetary cost-savings in the budget approved by the Assembly;

7. INVITES the Secretary-General to develop and submit to the Council, during the 2012-2013 biennium, a long-term plan for the future financial sustainability of the Organization and to explore measures, taking into account the linkages to the Strategic and High-level Action Plans, to allow the Organization to continue addressing high-priority safety, security, facilitation of maritime traffic and environmental issues, as well as legal matters related thereto, by identifying cost-savings and efficiencies;

8. INVITES the attention of the Council to the above-mentioned provisions;

9. REQUESTS the Secretary-General to ensure their application while endeavouring to effect the maximum economies in the budget; and

10. REQUESTS the Council, should there be any appreciable changes in annual contribution receipts, to undertake a review of the Organization's financial framework and report its outcome to the Assembly.

B. WORKING CAPITAL FUND

THE ASSEMBLY,

RECALLING resolution A.363(IX) of 14 November 1975, by which the Working Capital Fund was established in the amount of US\$250,000 as of 1 January 1976 by means of advances assessed on Member States,

RECALLING FURTHER resolutions A.508(XII), A.552(13), A.633(15), and A.837(19), by which the level of the Working Capital Fund was increased through transfers from other Funds,

NOTING that, after taking into account payments by new Members, the level of the Working Capital Fund presently stands at £2,006,008,

RECALLING ALSO resolution A.633(15), by which the Exchange Reserve Fund the balance of which was standing at US\$2,000,000 was merged into the Working Capital Fund on 1 January 1988,

NOTING ALSO the provision in regulation 6.2 of the Financial Regulations that the purposes of the Working Capital Fund may be determined from time to time by the Assembly,

1. DECIDES that new Members shall be assessed for their advances to the Working Capital Fund on the basis only of the part assessed on Members on 1 January 1976;

2. DECIDES that the Working Capital Fund shall be used also as an exchange reserve fund from 1 January 2012;

3. AUTHORIZES the Secretary-General:

- (a) to advance from the Working Capital Fund such sums as may be necessary to finance the appropriations for the years 2012 and 2013 pending receipt of contributions from Members – amounts so advanced shall be reimbursed to the Working Capital Fund as soon as contributions are available;
- (b) to account, under the Working Capital Fund, for the currency gains or losses in the regular budget arising from differences between the United Nations operational exchange rate during 2012 and 2013 and the rate of \$1.65 against the pound sterling adopted for calculation of the appropriation; and
- (c) with the prior agreement of the Council, to advance such sums as may be necessary to meet unforeseen or extraordinary expenses arising during the 2012-2013 biennium, provided that such expenses are of a clearly exceptional nature and relate specifically to the Strategic and High-level Action Plans of the Organization and that the Council is assured that the relevant expenditure cannot be met by appropriate transfer action within the total budget approved for a calendar year;

4. REQUESTS the Secretary-General:

- (a) to report to the Council and the Assembly all advances made under the present resolution, and the relevant circumstances, and to submit supplementary estimates for reimbursement to the Working Capital Fund of

advances made from the Fund to meet unforeseen or extraordinary expenses; and

- (b) to periodically report to the Council on the status of the Working Capital Fund reserves, including the gains or losses resulting from exchange rate movement accounting.

C. TRADING FUND

THE ASSEMBLY,

RECALLING its adoption of resolution A.1014(26), by which it decided to establish the Trading Fund, with effect from 1 January 2010, by reconstituting the then Printing Fund with wider terms of reference, in accordance with regulation 6.7 of the Organization's Financial Regulations, which provides that the Secretary-General or the Assembly may establish such trust, reserve and special funds, as may be required from time to time in order to deliver results in pursuance of the Organization's Strategic Plan,

RECOGNIZING the need to ensure that the Technical Co-operation Fund continues to be replenished in such a manner as to ensure the proper delivery of the Organization's Integrated Technical Co-operation Programme,

1. APPROVES the Trading Fund budget voted for the 2012-2013 biennium, as shown in table 1 of annex 4, of £12,363,000 comprising an appropriation of £6,168,000 for 2012 and an appropriation of £6,195,000 for 2013;
2. APPROVES a total of 36 Trading Fund posts for the biennium, as shown in annex 3;
3. APPROVES the revision of a provision in the terms of reference of the Trading Fund to the effect that, at the beginning of each year, the Secretary-General shall transfer, unless otherwise directed by the Assembly, not less than 80% of the net annual cash surplus of the previous financial year in the Fund to the Technical Co-operation Fund; 10% thereof to the Headquarters Capital Fund; and 1.5% to the Training and Development Fund; and keep the remainder (i.e. 8.5%) as the Fund's reserves to meet the liabilities to be accounted for in compliance with IPSAS;
4. REQUESTS the Secretary-General to keep under review the terms of reference for the operation of the Trading Fund; and to report to the Council as and when necessary.

D. HEADQUARTERS CAPITAL FUND

THE ASSEMBLY,

RECALLING resolution A.778(18) of 4 November 1993, through which the Assembly decided to establish the Headquarters Capital Fund by transferring the balance held in the Headquarters Installation Fund and by transfers from the Printing Fund of £500,000 in 1994 and £250,000 in 1995,

RECALLING ALSO that the Headquarters Capital Fund was established with effect from 1 January 1994 with the primary purpose of meeting the capital expenditure necessary for efficient operation of the Organization and for fulfilling the Organization's liabilities under the terms of the lease for the Headquarters building agreed between the Organization and the United Kingdom Government, and with the scope to include:

- (a) expenditure on repairs to, or replacement of, apparatus and machinery for the Headquarters building (other than regular, planned maintenance costs);
- (b) purchase and installation of office automation equipment, office furniture and equipment, telecommunications equipment and document production machinery;
- (c) official vehicles;
- (d) other items of capital equipment which relate to the primary purpose of the Fund; and
- (e) expenditure on the design, installation and implementation of office automation systems, including related training needs,

RECALLING FURTHER that the Fund has enabled the planning for, and implementation of, major capital programmes since 1994, notably in respect of office automation and communications necessary for improving the Organization's efficiency and effectiveness,

NOTING that the Organization has now fully paid to the Host Government its shared costs of £4.6 million associated with the Headquarters refurbishment works,

NOTING ALSO that the Fund will be replenished from time to time by such transfers from other Funds of the Organization as may be approved by the Assembly or by the transfer of such funds from the regular budget as may be approved by the Assembly,

1. APPROVES the Headquarters Capital Fund expenditure voted for the 2012-2013 biennium, as shown in table 2 of annex 4, of £2,312,000, comprising an appropriation of £1,118,000 for 2012 and an appropriation of £1,194,000 for 2013;

2. DECIDES that the income arising from investments of the Headquarters Capital Fund shall continue to be credited to the Headquarters Capital Fund.

E. TERMINATION BENEFIT FUND

THE ASSEMBLY,

RECALLING resolution A.837(19) of 23 November 1995, by which the Assembly decided to establish the Termination Benefit Fund with an initial transfer of £900,000 from the cash surplus of the General Fund on 1 January 1996, in order to meet the costs associated with payment of termination benefit and repatriation grants to the staff of the Organization,

RECALLING ALSO resolution A.906(22) of 29 November 2001, which widened the scope of the Fund to allow the financing of the additional costs of temporary assistance required to replace staff on long-term sick leave,

RECALLING FURTHER resolution A.991(25) of 29 November 2007, by which the Assembly further widened the scope of the Fund to include the financing and accounting of the liabilities related to the costs of accrued annual leave and After Service Health Insurance (ASHI), in preparation for UN system-wide implementation of IPSAS,

NOTING that the Fund will be replenished from time to time by such transfers from other Funds of the Organization as may be approved by the Assembly or by the transfer of such funds from the regular budget as may be approved by the Assembly,

1. APPROVES the Termination Benefit Fund budget voted for the 2012-2013 biennium, as shown in table 3 of annex 4, of £1,776,000, comprising an appropriation of £796,000 for 2012 and an appropriation of £980,000 for 2013;

2. DECIDES that income arising from investments of the Termination Benefit Fund shall be credited to the Termination Benefit Fund.

F. TRAINING AND DEVELOPMENT FUND

THE ASSEMBLY,

RECALLING resolution A.906(22) of 29 November 2001, by which the Assembly decided to establish the Training and Development Fund with an initial transfer of £200,000 from the surplus of the Printing Fund on 1 January 2002, in order to finance organizational strengthening initiatives,

NOTING the need to ensure that the knowledge and skills of new and existing staff are maintained up to date,

NOTING ALSO that the Fund will be replenished from time to time by such transfers from other Funds of the Organization as may be approved by the Assembly or by the transfer of such funds from the regular budget as may be approved by the Assembly,

1. APPROVES the Training and Development Fund budget voted for the 2012-2013 biennium, as shown in table 4 of annex 4, of £281,000, comprising an appropriation of £138,400 for 2012 and an appropriation of £142,600 for 2013;

2. DECIDES that the income arising from investments of the Training and Development Fund shall be credited to the Training and Development Fund.

G. TECHNICAL CO-OPERATION FUND

THE ASSEMBLY,

RECALLING resolution A.593(14) of 20 November 1985, by which the Technical Co-operation Fund was established, and which resolved that the interest should be used to assist the Technical Co-operation Programme of the Organization in accordance with proposals approved by the Assembly,

RECALLING ALSO resolution A.837(19) of 23 November 1995, by which the funds from the Technical Co-operation Fund are drawn down and converted into pounds sterling for the application of technical co-operation activities, and which enables the level of the funds to be increased through donor contributions and by such transfers from other funds of the Organization as may be approved by the Assembly,

NOTING that, in accordance with rule 14 of the Rules of Operation of the Technical Co-operation Fund, the Secretariat reports biennially to the Technical Co-operation Committee and the Council on progress made in the delivery of the Integrated Technical Co-operation Programme (ITCP) components that are being supported with the Fund resources,

RECALLING FURTHER resolution A.993(25) of 29 November 2007, by which Member States were invited to consider voluntarily donating to the Technical Co-operation Fund a part, and if possible all, of their interest earnings accumulated under the Contributions Incentive Scheme,

HAVING REGARD to the fact that the Council endorsed, at its 106th session, allocations from the Fund of US\$16,400,000 to support the proposed activities under the ITCP for the 2012-2013 biennium, according to the recommendation of the Technical Co-operation Committee at its sixty-first session,

HAVING REGARD ALSO to the fact that the Council agreed, at its 106th session, to ring-fence 5% of the Trading Fund in-year surplus allocated to the Technical Co-operation Fund so as to support the finances of the WMU as an interim measure,

NOTING the decision in section C above in respect of the changes in the percentage of the Trading Fund surplus allocated to the Technical Co-operation Fund,

1. APPROVES the Technical Co-operation Fund budget voted for the 2012-2013 biennium, as shown in table 5 of annex 4, of £9,939,000 (equivalent to the planned figure of US\$16,400,000), comprising an appropriation of £5,294,000 for 2012 and an appropriation of £4,645,000 for 2013;
2. DECIDES that the income arising from investments of the Technical Co-operation Fund shall continue to be credited to the Technical Co-operation Fund;
3. DECIDES that 5% of the "not less than 80%" of the Trading Fund in-year surplus which is to be allocated to the Technical Co-operation Fund shall be ring-fenced to support the finances of the World Maritime University until such time as the Council recommends other measures for the future sustainable funding of the University;
4. REQUESTS the Secretary-General to submit programmes of technical co-operation activities, indicating outputs and end results arising from the use of the Fund's resources, to the Technical Co-operation Committee during the 2012-2013 biennium;
5. INVITES Member States to consider voluntarily donating to the Technical Co-operation Fund a part, and if possible all, of their interest earnings accumulated under the Contribution Incentive Scheme.

Annex 1

Results-based budgets for the 2012-2013 biennium

	<u>Strategic Results</u>	<u>2012</u>	<u>2013</u>
SR 1	Enhanced status as a primary international maritime forum	4,743,700	4,908,400
SR 2	Enhanced global compliance and uniform implementation	2,936,600	3,081,700
SR 3	Strengthened capacity-building	3,432,900	3,492,600
SR 4	Enhanced governance, management and administration	6,935,200	7,113,600
SR 5	Enhanced safety of human life at sea	6,319,700	6,627,900
SR 6	Enhanced security of the maritime transport network	837,700	974,200
SR 7	Reduced adverse impact on the environment	2,266,400	2,339,300
SR 8	Ensured efficiency of shipping	477,900	597,700
SR 9	Increased attention to SIDS and LDCs	162,100	164,000
SR 10	Goal-based standards applied	84,300	80,900
SR 11	Raised profile of the safety, security and environmental records of shipping	1,487,600	1,415,100
SR 12	Enhanced quality of shipping	674,000	703,800
SR 13	Enhanced environmental awareness	462,100	486,800
	Staff turnover	(300,000)	(300,000)
	<u>TOTAL</u>	<u>30,520,200</u>	<u>31,686,000</u>

Annex 2

Meeting-weeks for 2012 and 2013

	Session	Meeting-weeks		
	No.	2012	2013	Total
GOVERNING BODIES				
ASSEMBLY	28	-	1.6	1.6
COUNCIL (regular sessions)	108,109,110 & 111	1.8	1.2	3.0
COUNCIL (extraordinary session)	27	-	0.4	0.4
Sub-total		1.8	3.2	5.0
COMMITTEES				
Maritime Safety	90, 91 & 92	2.6	1.6	4.2
Marine Environment Protection	63, 64 & 65	2.0	1.0	3.0
Legal	99 & 100	1.0	1.0	2.0
Technical Co-operation	62 & 63	0.6	0.6	1.2
Facilitation	38	-	1.0	1.0
Sub-total		6.2	5.2	11.4
SUB-COMMITTEES				
Bulk Liquids and Gases	16 & 17	1.0	1.0	2.0
Dangerous Goods, Solid Cargoes and Containers	17 & 18	1.0	1.0	2.0
Fire Protection	56	-	1.0	1.0
Flag State Implementation	20 & 21	1.0	1.0	2.0
Radiocommunications and Search and Rescue	16 & 17	1.0	1.0	2.0
Safety of Navigation	58 & 59	1.0	1.0	2.0
Ship Design and Equipment	56 & 57	1.0	1.0	2.0
Stability and Load Lines and Fishing Vessel Safety	54 & 55	1.0	1.0	2.0
Standards of Training and Watchkeeping	43 & 44	1.0	1.0	2.0
Sub-total		8.0	9.0	17.0
LONDON CONVENTION	34 & 35	1.0	1.0	2.0
DIPLOMATIC CONFERENCES *		0.6	-	0.6
Total		17.6	18.4	36.0

* Diplomatic Conference on the Torremolinos Protocol on Fishing Vessel Safety

Annex 3

Staff complement for 2012 and 2013

		Posts financed by the Organization's Funds				Posts financed by Donor/Trust Funds or Member States*	Total operational posts for 2012-2013
		Regular budget	Trading Fund	Technical Co-operation Fund	Total		
		(a)	(b)	(c)	(d=a+b+c)	(e)	(f=d+e)
Office of the Secretary-General	Professional and higher	9	0	0	9	0	9
	General Service	5	0	0	5	0	5
	Sub-Total	14	0	0	14	0	14
Maritime Safety Division	Professional and higher	25	0	0	25	7 2/	32
	General Service	19	0	0	19	1 2/	20
	Sub-Total	44	0	0	44	8	52
Marine Environment Division	Professional and higher	16	0	0	16	12 3/	28
	General Service	10	0	0	10	10 4/	20
	Sub-Total	26	0	0	26	22	48
Legal Affairs and External Relations Division	Professional and higher	13	0	0	13	0	13
	General Service	11	0	0	11	0	11
	Sub-Total	24	0	0	24	0	24
Administrative Division	Professional and higher	23	8	0	31	0	31
	General Service	43	28	0	71	0	71
	Sub-Total	66	36	0	102	0	102
Conference Division	Professional and higher	44	0	0	44	1 5/	45
	General Service	54 1/	0	0	54	0	54
	Sub-Total	98	0	0	98	1	99
Technical Co-operation Division	Professional and higher	17	0	5 6/	22	0	22
	General Service	9	0	0	9	0	9
	Sub-Total	26	0	5	31	0	31
TOTAL	Professional and higher	147	8	5	160	20	180
	General Service	151	28	0	179	11	190
	TOTAL	298	36	5	339	31	370

1/ Abolition of one General Service post in Documents Section

2/ Two Associate Professional Officers (APO) seconded by the Republic of Korea and Turkey; five project officers based in Headquarters; and one project assistant

3/ Four APOs seconded by the Governments of Germany, Japan, Sweden and Turkey; eight project officers based in the Headquarters (2), Indonesia (1) and Malta (5)

4/ 10 project assistants based in Headquarters (3) and Malta (7)

5/ One APO expected from China

6/ Experts on regional coordination based in Ghana, Côte d'Ivoire, Kenya, the Philippines and the Caribbean, respectively

* Subject to the final funding agreement with donors

Annex 4

Budgets for the Organization's Funds

Table 1: Budget for the Trading Fund

	2012	2013	2012-13
Publication sales	10,525,000	9,578,000	20,103,000
Catering income	618,000	664,000	1,282,000
Miscellaneous income	314,000	285,000	599,000
Total revenue	11,457,000	10,527,000	21,984,000
Staff costs	1,914,000	1,990,000	3,904,000
Other personnel costs	169,000	174,000	343,000
Operating expenses	3,375,000	3,318,000	6,693,000
Support costs	710,000	713,000	1,423,000
Total expenditure	6,168,000	6,195,000	12,363,000
Forecast cash surplus	5,289,000	4,332,000	9,621,000

Table 2: Budget for the Headquarters Capital Fund

	2012	2013	2012-13
Major building repairs	135,000	135,000	270,000
Equipment/furniture/vehicles	30,000	30,000	60,000
IT/IS and SAP	953,000	1,029,000	1,982,000
Total	1,118,000	1,194,000	2,312,000

Table 3: Budget for the Termination Benefit Fund

	2012	2013	2012-13
Termination and repatriation	318,000	458,000	776,000
After Service Health Insurance	448,000	492,000	940,000
Replacement of staff on sick leave	30,000	30,000	60,000
Total	796,000	980,000	1,776,000

Table 4: Budget for the Training and Development Fund

	2012	2013	2012-13
Performance/HR management	65,000	68,000	133,000
SW/HW/Other Skills	25,000	25,000	50,000
Language training	39,400	40,600	80,000
Induction	9,000	9,000	18,000
Total	138,400	142,600	281,000

Table 5: Budget for the Technical Co-operation Fund

	2012	2013	2012-13
Africa	1,417,000	1,131,000	2,548,000
Arab States/Mediterranean	335,000	387,000	722,000
Asia	483,000	409,000	892,000
Pacific Islands	226,000	186,000	412,000
CIS/Eastern Europe	227,000	142,000	369,000
Latin America	307,000	383,000	690,000
Caribbean	358,000	304,000	662,000
Global programmes	1,941,000	1,703,000	3,644,000
Total	5,294,000	4,645,000	9,939,000

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