

## ANNEX 17

### TERMS OF REFERENCE FOR THE ESTABLISHMENT OF A VOLUNTARY MULTI-DONOR TRUST FUND TO SUSTAIN THE ORGANIZATION'S TECHNICAL COOPERATION AND CAPACITY-BUILDING ACTIVITIES TO SUPPORT THE IMPLEMENTATION OF THE INITIAL IMO STRATEGY ON REDUCTION OF GHG EMISSIONS FROM SHIPS ("GHG TC-TRUST FUND")

#### Establishment and authority of the Trust Fund

1 The "GHG TC-Trust Fund", hereinafter called the "Trust Fund", is established by the Secretary-General under the International Maritime Organization's Financial Regulations 6.7 and 6.8 on [TBD]. The Trust Fund shall be administered in conformity with the Organization's Financial Regulations and Financial Rules. Management of the Trust Fund also requires observance of the Organization's Staff Regulations and Staff Rules, and other policies or procedures promulgated by the Secretary-General. Exceptions to such regulations, rules, policies or procedures are not permissible, unless specifically authorized by the Secretary-General.

#### Purpose of the Trust Fund

2 The purpose of the Trust Fund is to provide a "dedicated source of financial support for technical co-operation and capacity-building activities to support the implementation of the *Initial IMO Strategy on reduction of GHG emissions from ships*".

#### Contributions to the Trust Fund

3 The resources of the Trust Fund include:

- .1 voluntary contributions from IMO Member States, UN Agencies, international organizations, and other entities having expressed their support for the objectives and aims of the *Initial IMO Strategy on reduction of GHG emissions from ships*; and
- .2 any income arising from investments/balances of the Trust Fund.

4 A pledge to the Trust Fund may only be accepted by the Director of Administration.

5 Contributions for the Trust Fund may be accepted in United States dollars, Sterling pounds, Euros or other fully convertible currencies. Contributions in currencies which are not convertible may be accepted, but only if the Director of Administration determines that the currency can be fully utilized in the implementation of the related activity. Contributions in kind are given an estimated monetary value by the Director of Administration at the time the pledges are received.

6 The making of a pledge and its acceptance are to be recorded in an exchange of letters, or, if deemed appropriate, in a more formal agreement, meeting minutes or reports.

7 The resources of the Trust Fund shall be kept in the following bank account:

IMO Bank Account details	Account No(s)	Sort-code
[TBD]	[TBD]	[TBD]

8 Contributions will normally be received for the purpose as described in paragraph 2 above. However, individual donors may indicate for which of the technical co-operation and capacity-building activities their contributions are preferably used. If such contribution cannot be used as intended, the donor will be consulted on its appropriate use.

### **Administration of the Trust Fund and spending authority**

9 The Secretary-General designates the Marine Environment Division as the principal implementing office of the Trust Fund, which will be responsible for co-ordinating all aspects of the work programme to be financed from the Trust Fund.

10 In accordance with IMO Financial Regulation 10.2, no obligations or disbursements against any funds may be incurred without the written authorization of the Secretary-General or on his behalf from the Director of Administration. Such authorizations take the form of allotments which will be issued only after sufficient contributions have been received to meet the requirements for initial financial obligations and for any reserves which may be required.

### **Audit**

11 The Trust Fund is subject to audit by the externally appointed auditors and the internal auditor of the Organization, under article XII of the IMO Financial Regulations. No other additional or special audit arrangement shall be made with donors.

### **Reporting**

12 The IMO Financial Services will provide an annual financial statement showing income and expenditures as of 31 December each year with respect to the funds pledged and received.

13 All financial accounts and statements shall be expressed in the Organization's reporting currencies.

14 The Marine Environment Division will regularly report to the Marine Environment Protection Committee on the outcome of specific activities and projects funded through the Trust Fund.

### **Closure of the Trust Fund**

15 The Trust Fund may be terminated when all of the programmes have been satisfactorily completed and agreed upon by all parties concerned.

16 Any other balances remaining at the time the Trust Fund is closed will be disposed of in a manner consistent with the purposes of the Trust Fund and with the Financial Regulations and Financial Rules of the Organization.

## APPENDIX

### OPERATIONAL PROCEDURES

#### Preparation of a programme implementation plan

1 A programme implementation document (PID) together with a corresponding cost plan is a prerequisite for the commencement of operations. The identified programme implementing officer will submit to the Contract Manager, for approval, the PID including costing, which represents a detailed budget and a plan of activities, clearly outlining the expected accomplishments and allocation of funds.

2 All cost plans for the Trust Fund, including those for operational activities, must include a provision for support costs at a rate approved by the Director of Administration.

#### Administration of the Trust Fund

3 For the purpose of ensuring proper financial controls, the [Director, Marine Environment Division], shall be the implementing officer of the Trust Fund.

4 The Contract Manager shall be responsible for ensuring that the Trust Fund is utilized for the purpose as described in these terms of reference and the implementation of programme activities under the Trust Fund.

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