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INTEGRATED TECHNICAL COOPERATION PROGRAMME

Annual Report for 2019

Annex 2: Overview of financial resource delivery

Note by the Secretariat

SUMMARY

Executive summary: This document provides the overview of financial resource delivery for the Integrated Technical Cooperation Programme during 2019, as annex 2 of the Annual Report for 2019

Strategic direction, if 1 and 7 applicable:

Output: 1.1, 1.6, 1.9, 1.10, 7.3, 7.4 and 7.7

Action to be taken: Paragraph 4

Related documents: TC 70/3 and TC 70/4(c)

1 Document TC 70/3 provided annex 1 of the Integrated Technical Cooperation Programme (ITCP) Annual Report for 2019, which contained the Organization's ITCP implementation results for 2019.

2 That document also informed the Committee that annex 2 to the annual report, on the overview of financial resource delivery was dependent on the receipt of the 2019 audited accounts, and would be submitted under document TC 70/3/Add.1 once the audited data was available.

3 Accordingly, annex 2 on the overview of financial resource delivery is submitted under this document and provides a comprehensive review and analysis of the financial data recorded against IMO's technical cooperation activities delivered during 2019.

Action requested of the Committee

4 The Committee is invited to take note of annex 2 to the ITCP Annual Report for 2019 and comment, as it deems appropriate.

ANNEX 2

INTEGRATED TECHNICAL COOPERATION PROGRAMME

Annual Report for 2019

Overview of financial resource delivery

Table of Contents

	Paragraph(s)
DELIVERY OVERVIEW	
Introduction	1-5
General ITCP implementation trends	6-9
PROFILE OF RESOURCE DISBURSEMENT	
Expenditure sources	10-14
The TC Fund	15-16
Other donors	17-19
DISBURSEMENT BY REGION	20-23
DISBURSEMENT BY DISCIPLINE	24-26
CONCLUSION	27
Tables	
Table 1: ITCP budget and expenditure 2018 in \$ – comparison with previous years	6
Table 2: Profile of donor expenditure for 2019	10
Table 3: Distribution of expenditure by region in 2019 – comparison with 2018	20
Table 4: Distribution of expenditure by discipline in 2019 – comparison with 2018	24
Charts	
Chart 1: Comparative expenditure 2015-2019	6
Chart 2: Expenditure trend 2010-2019	7
Chart 3: Rate of annual financial delivery since 2010	9
Chart 4: Annual TC Fund expenditure 2015-2019	16
Chart 5: Annual TC Fund expenditure as percentage of overall expenditure 2015-2019	16
Chart 6: Major donors with expenditure over \$400,000 – comparison with 2018.....	17
Chart 7: Other donors with expenditure in 2019 between \$85,000 and \$200,000	19
Chart 8: Regional and global distribution of expenditure in 2019	21
Chart 9: Core ITCP and long-term project spending by region, in \$	22
Chart 10: Distribution of expenditure by discipline in 2019	24

Appendix: Regional and Global programmes of ITCP and long-term projects in 2019

DELIVERY OVERVIEW

Introduction

1 The overview of financial resource delivery provides a comprehensive review of the 2019 financial data recorded against the implementation of IMO's technical cooperation (TC) activities. The data is disaggregated by region, discipline and funding source in order to provide baseline comparators for establishing the trends in the delivery of the Integrated Technical Cooperation Programme (ITCP). This enables detailed analysis and presentation of the achievements from various perspectives, both for the year under review and over a longer period of time.

2 The ITCP structure is comprised of regional and global programmes. The appendix to this annex supplements the information in the financial overview with financial details of the respective programmes operational during 2019. The composite results are collated from the respective activities implemented in 2019 and are presented according to the programmatic structure of ITCP. Some long-term projects operate outside the ITCP annual structure and are generally multi-year in structure. These are also detailed in the appendix.

3 IMO adheres to International Public Sector Accounting Standards (IPSAS), and thus the baseline comparators for monitoring expenditure ensure precision and transparency. IPSAS also ensures that the figures represent the technical cooperation expenditure of the actual delivery achieved within the allotted time frame, and the results, including any related adjustments are reflected in this report for 2019. Furthermore, a time lapse between the completion of delivery and receipt of charges through the United Nations Development Programme (UNDP) service-clearing account means that a certain percentage of funds committed during 2019 will be reflected in the budget and final expenditure of 2020.

4 In accordance with technical cooperation operational procedures, although resources are made available in different currencies depending on the donor source, all budgetary and expenditure figures in this report are expressed in United States dollars.

5 It should be noted that the ITCP delivery results presented in this annex provide complementary information to the financial reports submitted to the Council,¹ and may include variances arising from adjustments made subsequent to the completion of the Council documents.

General ITCP implementation trends

6 During 2019, some \$15.6 million was delivered against programmed donor contributions of \$19.7 million, representing a delivery rate of 79%.² This is \$2 million more than the \$13.5 million expended in 2018, although the delivery rate is slightly lower than the 83% reached in 2018. However, it should be noted that some activities were not yet fully completed as at the end of the year and, consequently, some related expenditures were not recorded in the final expenditure of 2019. Table 1 presents these budget and expenditure figures for 2019 as well as the figures for the previous four years for comparative purposes. The expenditure over the five-year period from 2015-2019 is presented visually in chart 1.

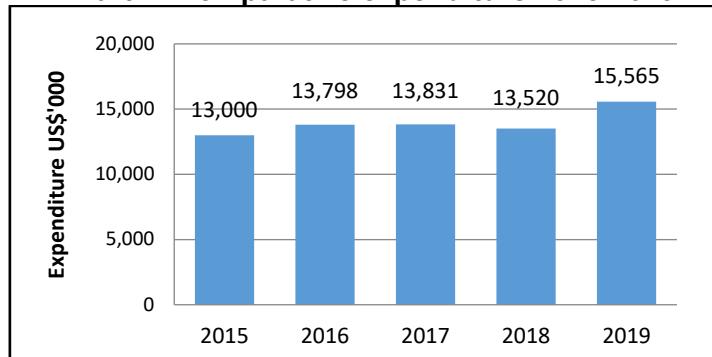
¹ C 124/5(b) – Financial report and audited financial statements for the financial period ended 31 December 2019.

² This document reports on all IMO expenditure related to technical cooperation, including both the core ITCP and extrabudgetary long-term projects.

Table 1: ITCP budget and expenditure 2019 in \$ – comparison with previous years

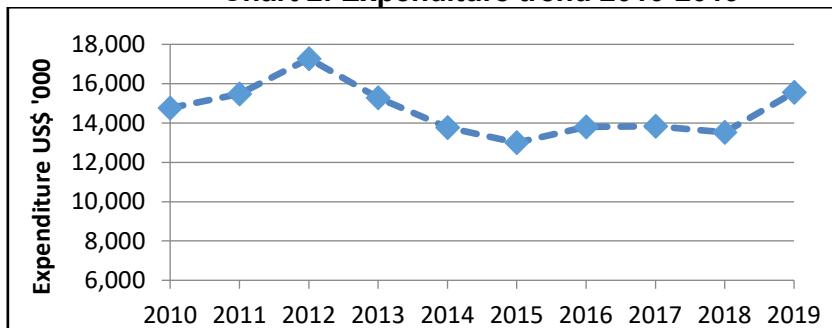
Year	Budget	Expenditure
2019	19,687,217	15,564,725
2018	16,233,798	13,519,814
2017	16,364,752	13,831,273
2016	15,266,703	13,798,322
2015	16,756,516	12,999,949

Chart 1: Comparative expenditure 2015-2019



7 In chart 2, which traces the annual volume of expenditure since 2010, the trend can be viewed over a decade. From \$14.7 million in 2010 to a high of \$17 million in 2012, and then going back to a more consistent delivery of between \$13 million and \$15 million over the following years.

Chart 2: Expenditure trend 2010-2019



8 From another perspective, chart 3, below, traces the delivery rate over the decade. In percentage terms, the total delivery recorded against funds programmed for 2019 was 79%. This is a slight decrease from the delivery rate recorded in the previous year, but still very much in line with recent trends and an efficient use of resources.

9 During 2019, as was done for the previous three years, funds were initially only programmed when host countries had been identified and activities confirmed. Funds were then programmed throughout the year as and when preparations were finalized, thus reducing the number of activities which needed to be postponed or cancelled.

Chart 3: Rate of annual financial delivery since 2010



Note: for the years 2010 to 2015, all allocated funds for the given year were programmed at the start of the year, while, from 2016, the funds programmed were less than the funds allocated for the year, based on the programming strategy described in paragraph 9 above.

PROFILE OF RESOURCE DISBURSEMENT

Expenditure sources

10 Table 2 records the individual funding sources from donor countries and organizations against the overall expenditure in 2019. Amounts shown reflect the amount programmed and the amount expended in 2019; not necessarily the full contribution. For the purposes of reporting, groupings of merged resources or multi-donor funds are categorized as single donors without listing the individual source of contributions. Such funding amalgams categorized in this manner include, *inter alia*, the TC Fund, the International Maritime Security Trust Fund (IMST Fund), the IMO West and Central Africa Maritime Security Trust Fund, the Djibouti Code of Conduct Trust Fund, and the LC/LP TC Trust Fund. Details of the full contributions of donors received during 2019 can be found in document TC 70/4(c) on financial contributions to ITCP.

Table 2: Profile of donor³ expenditure for 2019

Source of funding	Funds programmed for 2019	Expenditure 2019	% of 2019 budget expended	Donor % of total expenditure
TC Fund	6,030,856	5,381,537	89%	35%
EC	3,347,692	3,207,545	96%	21%
UNEP (including external sources)	1,085,421	1,102,357	102%	7%
IMST Fund	1,043,977	1,022,418	98%	7%
UNDP-GEF	2,294,237	850,533	37%	5%
Tsunami Relief Fund	659,009	634,307	96%	4%
Djibouti Code of Conduct Trust Fund	647,234	598,703	93%	4%
Norad	616,478	461,148	75%	3%
China	481,754	424,110	88%	3%
Norway	597,500	413,155	69%	3%
Republic of Korea	295,914	197,469	67%	1%
Saudi Arabia	327,683	196,499	60%	1%

³ For the purposes of budgeting and expenditure of the ITCP, the TC Fund is categorized as a "donor", as are the other IMO multi-donor trust funds.

Malaysia	154,699	143,785	93%	1%
Canada	168,308	139,551	83%	1%
Netherlands	102,925	92,655	90%	0.6%
Belgium	95,264	87,584	92%	0.6%
United Kingdom	99,141	87,402	88%	0.6%
UN Trust Fund	122,766	78,947	64%	0.5%
SAR Fund	81,000	76,351	94%	0.5%
Egypt	71,262	71,345	100%	0.5%
Model Courses Trust Fund	438,011	53,252	12%	Less than 0.5% of the total expenditure
LC/LP TC Trust Fund	91,096	49,330	54%	
Nigeria	50,000	48,000	96%	
Philippines	40,000	37,870	95%	
Ghana	25,000	22,216	89%	
GIA	493,978	18,953	4%	
WCA Trust Fund	117,684	15,765	13%	
Oman	25,764	13,727	53%	
Australia	29,040	11,293	39%	
UAE	10,000	9,040	90%	
International Ship Recycling Fund	10,750	8,390	78%	
ITF	17,804	5,428	30%	
GloBallast TV documentary residual funds	14,970	4,060	27%	
Total in \$	19,687,217	15,564,725	79%	

11 Table 2 shows the 33 sources of funding and expenditure for 2019, a large increase from the 23 funding sources recorded the previous year. The figures in table 2 reflect the donor disbursement recorded against activities. They are not intended to provide the cash-flow status of any given trust funds, but represent donor expenditure that has been actually invoiced and registered by IMO during 2019.

12 As previously mentioned in paragraph 3, a number of activities that were ongoing during 2019 may have a completion date beyond the end of the calendar year and will therefore be reflected in the 2020 annual report, as will any relevant invoices and other adjustments not received before closure of the 2019 accounts. Conversely, it may be noted that the 2019 expenditure inevitably included a few activities and the related budgets originally programmed for the previous year. This minor proportion of expenditure was primarily relevant to activities that were operational in 2018 but whose full implementation was not completed until 2019.

13 Additionally, it should be noted that the 2019 budgets were amended as and when required to accommodate additional funds and activities that were allocated during the course of the year. This was not unique to 2019 but is a regular occurrence each year due to the specific terms and timing of confirmation of funds relating to individual donor contributions.

14 An expenditure level over \$500,000 was credited to the top 7 donor sources, as illustrated in table 2. The highest figure of \$5.4 million was attributed to the TC Fund, representing 35% of the total expenditure, followed by the European Commission with an expenditure of \$3.2 million, accounting for 21% of total expenditure, the majority of which was

for the long-term GMN project.⁴ This was followed by UNEP and the IMST Fund, each with 7% of overall expenditure, for REMPEC⁵ and projects related to maritime security, respectively; and UNDP-GEF with 5% of total expenditure, for the GloMEEP⁶ and GloFouling Partnerships⁷ projects. The Djibouti Code of Conduct Trust Fund and residual funds from the Tsunami Relief Fund each accounted for 4% of 2019 expenditure, while Norway, China and Norad each accounted for 3% and the remaining 23 donors each accounted for 1% or under of total expenditure.

The TC Fund

15 The TC Fund maintains the top position on the scale of donor funding presented in table 2 by supporting implementation in 2019 with expenditure of \$5.4 million. This figure represents 35% of the total expenditure, a significant decrease from the 54% credited to the TC Fund in 2018, mostly due to efforts at increasing the sustainability of the ITCP by diversifying the donor base.

16 Chart 4 displays TC Fund expenditure over five years, showing general consistency, with highs of some \$7.3 million in 2016 and 2018, and a low of some \$5.4 million in 2019. The TC Fund expenditure as a percentage of the overall expenditure can be seen in chart 5, which compares the years 2015 to 2019. As noted above, the 2019 percentage of 35% shows a marked decrease from the 54% recorded in 2018 and the years immediately preceding.

Chart 4: Annual TC Fund expenditure 2015-2019

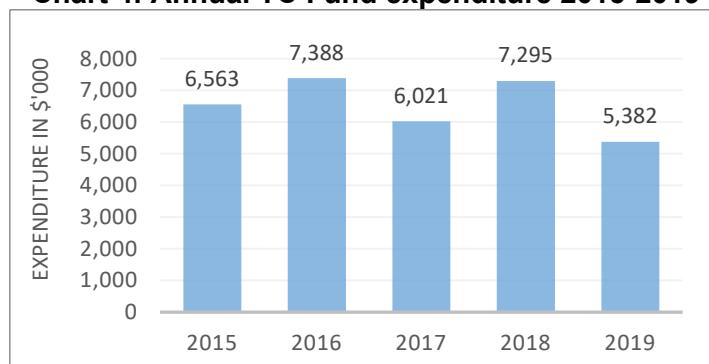
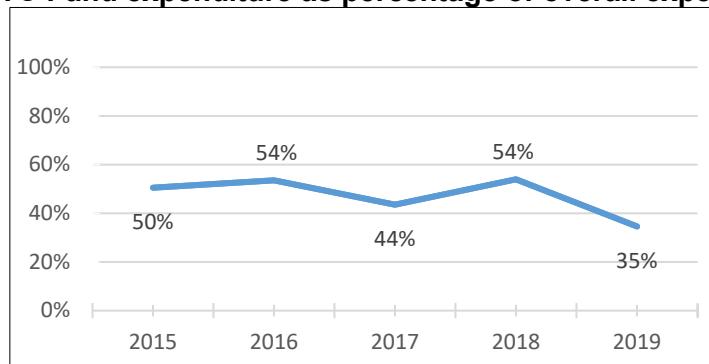


Chart 5: Annual TC Fund expenditure as percentage of overall expenditure 2015-2019



⁴ Global Maritime Technology Cooperation Centres (MTCCs) Network project.

⁵ The Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea.

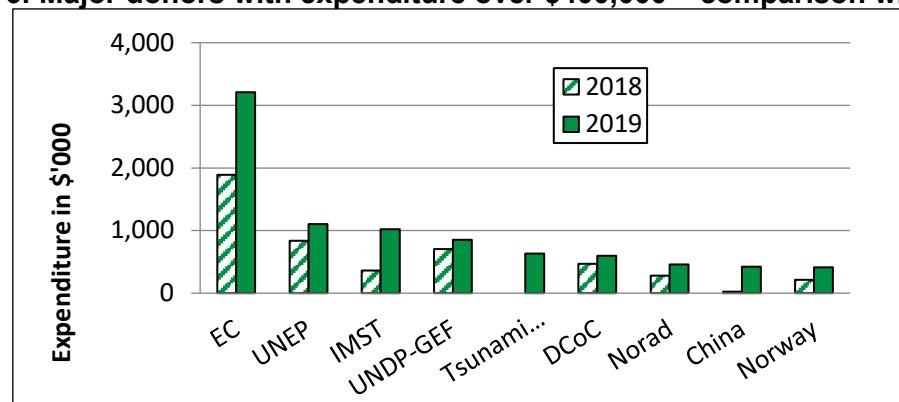
⁶ Global Maritime Energy Efficiency Partnerships.

⁷ Building Partnerships to Assist Developing Countries to Minimize the Impacts of Aquatic Biofouling.

Other donors

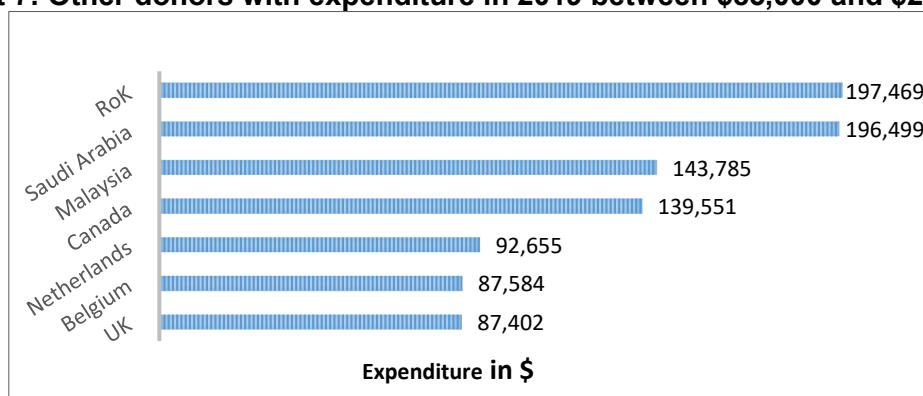
17 Chart 6 displays the group of nine donor entities (excluding the TC Fund) that recorded expenditure over \$400,000 in 2019, in comparison with the amounts expended against these donors in the previous year. All showed higher expenditure in 2019, some such as the EC, the IMST Fund and China showed a significant increase, while others showed a smaller increase. The residual funds from the Tsunami Relief fund were predominantly used to support the participation of developing countries at the Torremolinos Conference held in October 2019.

Chart 6: Major donors with expenditure over \$400,000 – comparison with 2018



18 Chart 7 illustrates that other donors with expenditure between \$85,000 and \$200,000 were the Republic of Korea, Saudi Arabia, Malaysia, Canada, the Netherlands, Belgium and the United Kingdom.

Chart 7: Other donors with expenditure in 2019 between \$85,000 and \$200,000



19 Further information on the donor entities and their support to the respective constituent programmes of the ITCP and long-term projects is presented in the appendix, together with the related total budget and expenditure recorded against each regional and global programme for 2019.

DISBURSEMENT BY REGION

20 The total regional and global expenditure distribution for 2019 is presented in table 3. The figures for 2018 are indicated for comparison only. For the purpose of accuracy, the analysis of the distribution of regional expenditure was not only based on the activities of the regional programmes but also, as far as possible, on the disaggregated data from the global programmes. For example, many of the activities of the global programmes: Support to SIDS

and LDCs for their shipping needs; SDG 5: Strengthening the maritime sector; Enhancement of maritime security; IMO Member State Audit Scheme; and the West and Central Africa Maritime Security programme, inter alia, are included in the regional statistics.

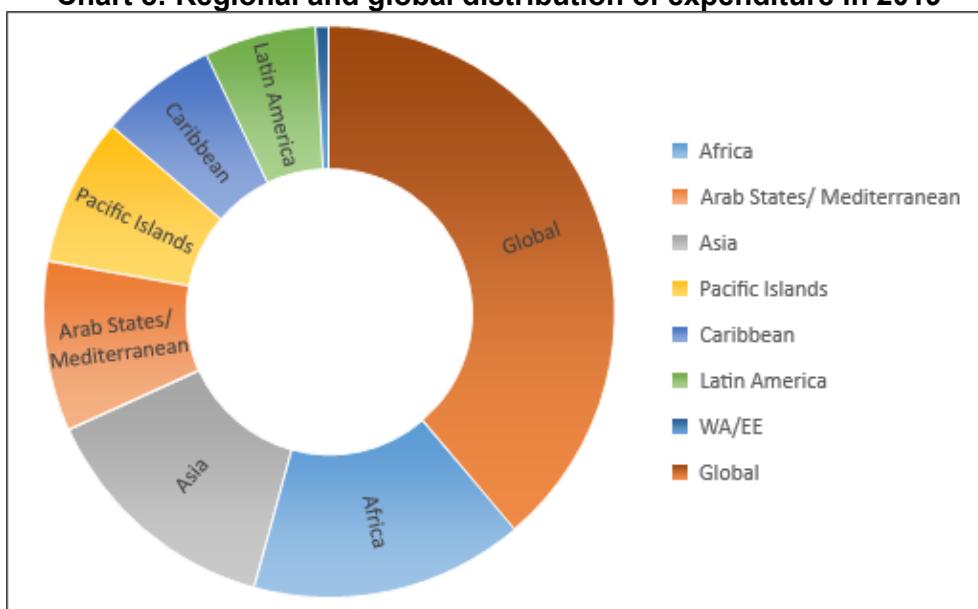
21 By contrast, those activities providing benefits in more than one region remain categorized as global. This category covers a diverse range of maritime subjects across the globe and includes, inter alia, the provision of fellowships, inter-regional workshops and many of the long-term projects. It also includes many activities relating to the Djibouti Code of Conduct, the promotion of the London Protocol and the programme for partnerships and emerging issues. Hence, the results expressed in table 3 were identified by the recipient region of the respective activities and, as a consequence, do not correlate to the global and regional programmes summarized in the appendix.

Table 3: Distribution of expenditure by region in 2019 – comparison with 2018

Region	2019	2018
Africa	2,413,302	2,410,119
Arab States and Mediterranean	1,499,220	1,221,870
Asia	2,175,932	1,287,298
Pacific Islands	1,303,425	687,907
Western Asia and Eastern Europe	127,236	103,457
Latin America	969,573	627,374
Caribbean	1,045,988	850,941
Global	6,030,049	6,330,848
Total in \$	15,564,725	13,519,814

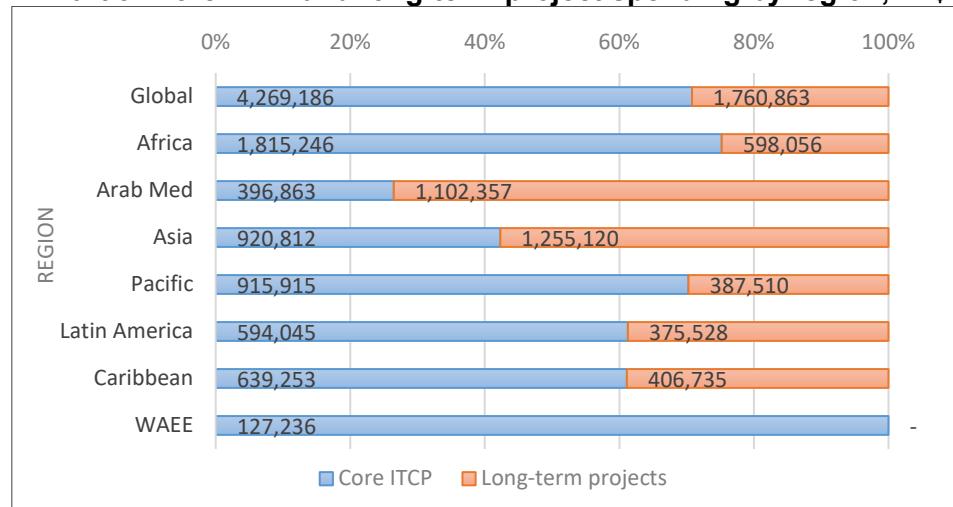
22 Chart 8 illustrates the regional and global distribution for 2019 by percentage. The Africa region accounted for some 15% of the total expenditure; Asia for 14%; Arab States and Mediterranean for 10%; Pacific Islands for 8%; Caribbean for 7%; Latin America for 6%; and Western Asia and Eastern Europe for 1% of total expenditure. The remaining activities comprised the balance under the global category with 39% of the total expenditure.

Chart 8: Regional and global distribution of expenditure in 2019



23 IMO's technical cooperation work consists of both the core ITCP, with its regional and global programmes, annual structure and focus on technical assistance and capacity-building activities; and a number of long-term, thematic projects, with a multi-year structure, most of which have an environmental focus. It can be informative to view expenditure on ITCP and on the long-term projects separately, as the budgets of the long-term projects are much larger and often include a staff component. For example, during 2019, REMPEC comprised 74% of the expenditure attributed to the Arab States and Mediterranean region. The GMN project, which includes maritime technology cooperation centres (MTCCs) in the Africa, Asia, Pacific Islands, Latin America and Caribbean regions, accounted for between 22% and 39% of expenditure in those regions, while in the Asia region, two additional long-term projects – MEPSEAS⁸ and SENSREC⁹ – accounted for 21% and 15% of technical cooperation expenditure, respectively. Under the global category, the GMN project accounted for 15% of global expenditure, while the GloFouling Partnerships and GloMEEP projects accounted for 10% and 5% of global expenditure, respectively. Chart 9 below shows the amount of expenditure per region that was spent on core ITCP and long-term projects.

Chart 9: Core ITCP and long-term project spending by region, in \$



DISBURSEMENT BY DISCIPLINE

24 Table 4 below presents the distribution of delivery by maritime discipline for 2019, as compared with 2018. The 2019 disbursement is shown visually in chart 10 below. For the purpose of this analysis, the discipline of maritime safety and security has been separated into the categories of maritime safety and maritime security to acknowledge the importance attributed to each distinct subject. The activities under the Djibouti Code of Conduct programme, responding to the major threat of piracy facing the maritime world, have been categorized as maritime security.

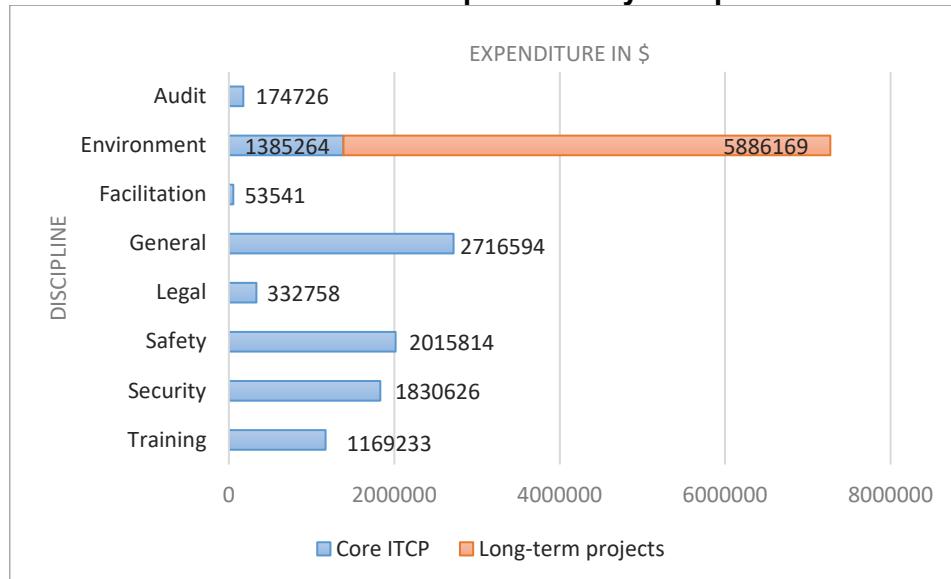
⁸ Marine Environment Protection of the South-East Asian Seas.

⁹ Safe and Environmentally Sound Ship-recycling in Bangladesh – Phase II.

Table 4: Distribution of expenditure by discipline in 2019 – comparison with 2018

Discipline	2019	2018
Maritime safety	2,015,814	1,778,084
Maritime security	1,830,626	1,422,856
Marine environment protection	7,271,433	5,228,466
Maritime legislation	332,758	309,210
Facilitation of international maritime traffic	53,541	209,706
Member State Audit	174,726	251,922
General maritime sector	2,716,594	2,765,780
Maritime training	1,169,233	1,553,790
Total in \$	15,564,725	13,519,814

Chart 10: Distribution of expenditure by discipline in 2019



25 During 2019, marine environment protection activities registered 47% of delivery, maritime safety 13%, and maritime security 12%. Maritime training, including the provision of fellowships, accounted for 8% of total expenditure, while maritime legislation, Member State Audit and facilitation of international maritime traffic accounted for 2%, 1% and 0.3% of expenditure, respectively. The general maritime sector, which includes activities related to maritime transport policy, integration of women in the maritime sector, the implementation of IMO instruments and meetings of heads of maritime administrations, made up 17% of all 2019 expenditure.

26 Regarding the discipline of marine environment protection, it should also be noted that more than half of the expenditure can be attributed to the six large-scale, multi-year projects currently ongoing, as well as the annual expenditure towards REMPEC. All were financed through external funding entities, such as UNEP, UNDP-GEF, GIA, the European Commission, Norway and Norad, and many included staff cost components. Together, these projects accounted for 81% of all expenditure related to the marine environment for 2019, equal to some \$5.8 million, significantly higher than the \$3.6 million recorded for long-term environmental projects in 2018.

CONCLUSION

27 In conclusion, during 2019 there was a significant increase in expenditure related to the protection of the marine environment compared with 2018, mainly due to the increase in implementation of long-term projects related to protection of the marine environment. Within the core ITCP, expenditure related to maritime safety, maritime security and maritime legislation increased as compared to the previous year, while expenditure on the facilitation of maritime traffic, Member State Audit and maritime training all decreased from the previous year. In terms of regional allocations, these remained roughly consistent with the previous year, with slight variations. The TC Fund continues to play an important role in the financing of the ITCP, as it has done since its creation, although this percentage is decreasing over time, as additional sources of funding are broadening the resource base for IMO's technical cooperation work.

Appendix
Regional and global programmes of the ITCP and long-term projects in 2019
Executed or sponsored through IMO - in US dollars

TC 70/3/Add.1
Annex 2 , page 13

Programme title	Budget	Expenditure	Delivery rate	Donor/s
REGIONAL PROGRAMMES				
Africa				
Support to maritime development, Africa (Anglophone)	1,353,623	1,177,774	87%	TC Fund, China, Egypt, Ghana, Nigeria, Norway, Saudi Arabia, European Commission, International SAR Fund, UN Trust Fund
Support to maritime development, Africa (Francophone)	514,882	492,731	96%	TC Fund, Malaysia, European Commission
West and central Africa maritime security	117,684	15,765	13%	WCA Trust Fund
Arab States and Mediterranean				
Support to maritime development, Arab States and Mediterranean	383,491	328,429	86%	TC Fund, Egypt, Oman, Saudi Arabia
REMPEC	1,085,421	1,102,357	102%	UNEP
Asia and Pacific Islands				
Support to maritime development, Asia	708,103	596,030	84%	TC Fund, China, Philippines, Republic of Korea, Saudi Arabia
Support to MEPSEAS project	616,478	461,148	75%	Norad
Support to maritime development, Pacific Islands	573,274	521,577	91%	TC Fund, China, Malaysia
Capacity building of the Solomon Islands Maritime Safety Administration	95,264	87,584	92%	Belgium
Enhanced implementation of MARPOL Annex V in the Pacific Islands region	29,040	11,293	39%	Australia
Western Asia and Eastern Europe				
Support to maritime development, Western Asia and Eastern Europe	93,670	88,386	94%	TC Fund
Latin America and Caribbean				
Support to maritime development, Latin America	372,146	352,994	95%	TC Fund, Malaysia
Support to maritime development, Caribbean	484,436	458,714	95%	TC Fund, United Arab Emirates, United Kingdom
GLOBAL PROGRAMMES				
Technical Advisory Services	1,458	1,440	99%	TC Fund
Support to SIDS and LDCs for their Shipping Needs	74,560	72,914	98%	TC Fund

Appendix
Regional and global programmes of the ITCP and long-term projects in 2019
Executed or sponsored through IMO - in US dollars

TC 70/3/Add.1
Annex 2 , page 14

Programme title	Budget	Expenditure	Delivery rate	Donor/s
SDG 5: Strengthening the maritime sector	730,328	729,370	100%	TC Fund, China, Malaysia, Saudi Arabia, United Kingdom
Capacity-building and training	1,785,114	1,332,857	75%	TC Fund, Netherlands, Norway, Saudi Arabia
Partnerships and emerging issues	698,885	545,632	78%	TC Fund, Canada, Republic of Korea, Saudi Arabia, ITF, Tsunami Relief Fund
Enhancement of maritime security	1,213,377	1,191,159	98%	TC Fund, United Kingdom, IMST Fund
IMO Member State Audit Scheme	157,636	145,376	92%	TC Fund, China, Netherlands
Effective implementation and enforcement of energy efficiency measures for ships	118,887	118,637	100%	TC Fund, Malaysia, Norway
Model courses	438,011	53,252	12%	Model Courses Trust Fund
Promotion of the London Protocol	145,296	55,280	38%	Republic of Korea, LC/LP TC Trust Fund
Djibouti Code of Conduct	647,234	598,703	93%	DCoC Trust Fund
Support to the response to the 2030 Agenda for Sustainable Development and the Blue Economy	76,325	76,034	100%	TC Fund
Support to the implementation of the technical cooperation aspects of IMO's strategic plan 2018-2023	651,009	626,625	96%	Tsunami Relief Fund
LONG-TERM PROJECTS				
GloFouling	1,849,762	592,991	32%	UNDP-GEF
GloMEEP	938,453	276,495	29%	GIA, UNDP-GEF
GMN	3,230,809	3,126,112	97%	European Commission
SENSREC	359,851	321,452	89%	Norway, International Ship Recycling Trust Fund
GreenVoyage	127,740	1,554	1%	Norway

Appendix

TC 70/3/Add.1

Regional and global programmes of the ITCP and long-term projects in 2019

Annex 2 , page 15

Executed or sponsored through IMO - in US dollars

Programme title	Budget	Expenditure	Delivery rate	Donor/s
GloBallast reports	14,970	4,060	27%	Ballast water documentary TF (residual)