

**Framework Convention
for the Protection of the Marine
Environment of the Caspian Sea**

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**CONFERENCE OF THE PARTIES
Sixth Meeting
... 2016, Baku, Azerbaijan**

Trust Fund for the Tehran Convention

(Note by the Secretariat)

Introduction.

The 5th Meeting of the Conference of the Parties to the Tehran Convention, in Ashgabat, Turkmenistan, in its decision of 30 May 2014 on the location of the Convention Secretariat requested UNEP, “through its Regional Office for Europe to carry out the administration of the Convention Secretariat and for that purpose to establish a Trust Fund with mutually agreed terms of reference and budget subject to the decisions of the COP”.

Consequently, the UNEA, in its first session and decision 1/16 of 27 June 2014 authorized the Executive Director of UNEP “to carry out the functions of the Tehran Convention Secretariat, as specified in article 23.1 of the Tehran Convention, on such mutually agreed terms as the Executive Director and the Parties see fit and in accordance with the decision entitled “Location and arrangements for the Secretariat of the Framework Convention for the Protection of the Marine Environment of the Caspian Sea (Tehran Convention)”, adopted at the Fifth Conference of the Parties to the Tehran Convention”.

By email of 13 August 2014, the Secretariat circulated draft terms of reference for the Trust Fund; by email of 3 November 2014 a revised version of these terms of reference was circulated including the comments from UNEP headquarters.

The Representatives of the Contracting Parties and the UNEP delegation to the first Meeting of the Preparatory Committee for COP6, in Baku, Republic of Azerbaijan, 24 – 27 November 2014, reviewed and amended the draft terms of reference, after which they were shared with UNEP headquarters.

Following a lengthy review process UNEP headquarters expressed its agreement with the terms of reference as amended at the first Meeting of the Preparatory Committee for COP6.

The agreed draft terms of reference of the Trust Fund for the Tehran Convention are attached as Annex I.

Annex II presents the proposed budget of the Trust Fund. The budget is meant to finance the

Convention Secretariat and activities as reflected in the draft 2016-2017 Program of Work of the Convention, contained in document TC/COP6/....

Suggested action

The COP may wish to:

1. Approve the terms of reference and budget for the Trust Fund for the Tehran Convention,
and
2. Request the Executive Director of UNEP to establish the Trust Fund and make it operational by 1 January 2016

Annex I

Draft Terms of Reference for the Trust Fund for the Framework Convention for the Protection of the Marine Environment of the Caspian Sea

1. The establishment of the Trust Fund for the Framework Convention for the Protection of the Marine Environment of the Caspian Sea and related Protocols (Tehran Convention) was approved by the United Nations Environment Assembly of UNEP through Resolution 1/16 adopted by its first session in June 2014 following the decision adopted by the fifth Meeting of the Conference of the Parties to the Tehran Convention, in Ashgabat, Turkmenistan, 30 May 2014, entitled “Location and arrangements for the Secretariat of the Framework Convention for the Protection of the Marine Environment of the Caspian Sea (Tehran Convention)”, for an initial period of two years, to receive and administer donations for administering and meeting the objectives of the Tehran Convention and related Protocols, including the functioning of the Secretariat.
2. The terms and definitions used in these Terms of Reference are those used in the Rules and Regulations of the United Nations and the Financial Rules of the Tehran Convention.
3. The Trust Fund shall be used to cover the expenditures for the administration of the budget of the Tehran Convention and related Protocols, including the functioning of its Secretariat.
4. The Executive Director of UNEP shall maintain and administer the Trust Fund in accordance with the Regulations and Rules of the United Nations and UNEP and the Financial Rules of the Tehran Convention, and shall delegate its day to day management to the Executive Secretary of the Tehran Convention. Any personnel recruited by UNEP for the purpose of the Trust Fund including the Executive Secretary of the Tehran Convention, shall be recruited and administered in accordance with the Rules and Regulations of the United Nations and UNEP.
5. The budget and appropriation of the Trust Fund shall be composed of two sections:
 - Section I: (Assessed) Annual contributions from the Contracting Parties of the Tehran Convention.
 - Section II: Additional voluntary contributions from the Contracting Parties of the Tehran Convention and Governments which are not Contracting Parties of the Tehran Convention, and from other governmental, intergovernmental, non-governmental and private sector sources.
6. The (assessed) annual contributions from the Contracting Parties to the Tehran Convention will for each of the Contracting Parties to the Tehran Convention consist of an equal share of Section I of the budget of the Trust Fund, to be determined by the Conference of the Parties to the Tehran Convention; the contributions are due to be paid during the first quarter of the calendar year.
7. Voluntary (additional) contributions for Administering and Meeting the Objectives of the Tehran Convention and related Protocols, including the functioning of the Secretariat may be pledged and made at any time. They shall be used according to the terms and conditions agreed

between the Executive Secretary of the Tehran Convention and the respective contributor in line with the applicable UN rules and regulations.

8. The financial period shall consist of a calendar year.

9. The budget period for the proposed budget of the Tehran Convention shall consist of two consecutive calendar years.

10. The budget estimates expressed in US dollars, covering the income and expenditures for the budget period to which they relate, shall be prepared by the Executive Secretary of the Tehran Convention and submitted to the Parties at least 90 days before the date of each ordinary meeting of the Conference of the Parties to the Tehran Convention, that is scheduled to consider budget, for its approval.

11. At each ordinary meeting of the Conference of the Parties to the Tehran Convention the Executive Secretary of the Tehran Convention shall present a report on contributions to the Trust Fund, including sources, amounts, purposes, conditions and activities financed by these contributions

12. Supplementary budget estimates may be submitted by the Executive Secretary of the Tehran Convention whenever necessary during the budget period. Such estimates shall be prepared in a form consistent with the regular estimates.

13. No commitments against the resources of the Trust Fund may be made in advance of corresponding resources including pledges in the form of unconditional contributions having become available to the Trust Fund. In the event that the Executive Secretary of the Tehran Convention anticipates a shortfall in resources over the financial period as a whole, (s)he shall adjust the budget so that expenditures over the period as a whole are fully covered by contributions, pledges in the form of unconditional contributions and other income received, unless otherwise authorized by the Executive Director of UNEP. Taking into account the available resources an operating reserve at a level of 15% of annual expenditure will be established.

14. If deemed appropriate and upon approval by the UN Controller, an imprest account will be established for use by the Executive Secretary of the Tehran Convention to help cover the cost of operation of the Secretariat. Replenishment of the account will be done regularly at the request of the Executive Secretary of the Tehran Convention upon approval of the relevant expenditure reports.

15. The Executive Secretary of the Tehran Convention may make transfers within each of the main appropriation lines of the approved budget. The Executive Secretary of the Tehran Convention may also make transfers between such appropriation lines within limits set by the Conference of the Parties to the Tehran Convention. At the end of the year (s)he may proceed to transfer any uncommitted balance of appropriations, to the same section in the following calendar year or to the working capital reserve.

16. In accordance with the United Nations rules, UNEP shall charge each year a Programme Support Cost of thirteen per cent of the expenditures charged to the Trust Fund in respect of activities and projects financed from the Trust Fund for the implementation of the Tehran Convention, of which 33% will support UNEP's indirect costs associated with managing the Trust Fund and 67% will be re-invested to directly support the functioning of the Tehran Convention Secretariat. All other costs will be accounted as direct costs in the activities of the Trust Fund budget.

17. Payment to the Trust Fund shall be deposited in convertible currency into the UNEP Trust Funds Account No. 485-002809, JP Morgan Chase Bank, International Agencies Banking Division, 270 Park Ave., 43rd floor, New York, N.Y. 10017, United States of America. Wire transfers: Chase ABA number = 021000021, SWIFT number = BIC-CHASUS33, or CHIPS participant number = 0002 unless otherwise agreed with the Executive Director of UNEP.

18. All contributions received into the Trust Fund and not immediately required for the financing of the programmes, activities and projects shall be invested at the discretion of the United Nations Environment Programme and income earned shall be credited to the Trust Fund.

19. Should the resources paid to the Trust Fund, including the investment income credited to the Trust Fund in accordance with paragraph 17 above, exceed the amount spent by UNEP on activities financed by the Trust Fund, the surplus amount, after settlement of all outstanding obligations and after presentation of the final statement of account, shall be disposed of in accordance with the decision of the Conference of the Parties to the Tehran Convention in compliance with the Rules and Regulations of the United Nations and UNEP in managing the Trust Fund.

20. Upon completion of each financial period, the Executive Secretary of the Tehran Convention shall ensure the submission to the Contracting Parties to the Tehran Convention of the certified accounts of UNEP for that year and, once available, the audited accounts for the previous budget period.

21. The Trust Fund shall be subjected to internal and external auditing in accordance with the rules and regulations of the United Nations.

22. The Executive Secretary of the Tehran Convention shall prepare a report on the budget implementation and submit it to the Contracting Parties to the Tehran Convention at least 45 days before the date of each ordinary meeting of the Conference of the Parties to the Tehran Convention.

23. In the event that the Conference of the Parties to the Tehran Convention decides to terminate the Trust Fund, it shall notify UNEP to that effect at least six months before the selected date of termination. UNEP shall inform UNEA accordingly. The Conference of the Parties to the Tehran Convention shall decide, in consultation with UNEP, on the distribution of any unspent balance after all liquidation expenses have been met.

24. These terms of reference shall be effective from the date of their approval by the Conference of the Parties to the Tehran Convention.

Annex II

Budget of the Trust Fund for the Framework Convention for the Protection of the Marine Environment of the Caspian Sea

Description	2016 Budget	2017 Budget	Total Budget*
10 Project personnel component			
1100 Project Personnel Title Grade w/m			
1101 Executive Secretary (P5)	180,000	180,000	360,000
1102 Associate Program Officer (P2)	110,000	110,000	220,000
1103 Program Officer (P3)	0	0	0
1104 Program Officer (P3)	0	0	0
1105 Admin/Finance Officer (P3)	0	0	0
1106 Communication/Stakeholder Officer (P3)	0	0	0
1107 Office Assistant (G5)	0	0	0
<u>1199 Subtotal</u>	<u>290,000</u>	<u>290,000</u>	<u>580,000</u>
1200 Consultants (Description of activity/service) w/m			
1201 Consultants, international	30,000	25,000	55,000
1202 Consultants, national	0	0	0
1204 NCLOs	60,000	60,000	120,000
<u>1299 Subtotal</u>	<u>90,000</u>	<u>85,000</u>	<u>175,000</u>
1300 Administrative support			
1301 Driver / General Support (local)	0	0	0
<u>1399 Subtotal</u>	<u>0</u>	<u>0</u>	<u>0</u>
1600 Staff travel on official business			
1601 Travel	60,000	60,000	120,000
<u>1699 Subtotal</u>	<u>60,000</u>	<u>60,000</u>	<u>120,000</u>
1999 Component Total	440,000	435,000	875,000
20 Subcontract component			
2100 Sub-contracts (MoUs/LoAs for cooperating agencies)			
2101 MoUs for Conv. activities, general	10,000	35,000	45,000
2102 MoUs Caspian Day	25,000	25,000	50,000
<u>2199 Subtotal</u>	<u>35,000</u>	<u>60,000</u>	<u>95,000</u>
2999 Component total	35,000	60,000	95,000
30 Training component			
3300 Meetings/conferences (Title)			
3301 Meetings/Conferences etc.	30,000	85,000	115,000
3305 Miscellaneous training activities	0	0	0
<u>3399 Subtotal</u>	<u>30,000</u>	<u>85,000</u>	<u>115,000</u>
3999 Component Total	30,000	85,000	115,000
40 Equipment and premises component			
4100 Expendable equipment (items under \$1,500 each)			
4101 Office supplies	0	0	0
<u>4199 Subtotal</u>	<u>0</u>	<u>0</u>	<u>0</u>
4200 Non-expendable equipment			
4201 Computer hardware	0	0	0
4202 Office equipment	0	0	0
<u>4299 Subtotal</u>	<u>0</u>	<u>0</u>	<u>0</u>
4999 Component Total	0	0	0
50 Miscellaneous component			
5200 Communications and Reporting Costs			
5210 Office Communication	0	0	0

5211	Websites (CEIC, Tehran Convention)	0	0	0
5216	Miscellaneous	0	0	0
<u>5299</u>	<u>Subtotal</u>	<u>0</u>	<u>0</u>	<u>0</u>
5400	Hospitality and entertainment			
5401	Hospitality / Accommodation	35,000	35,000	70,000
<u>5499</u>	<u>Subtotal</u>	<u>35,000</u>	<u>35,000</u>	<u>70,000</u>
5500	Monitoring and Evaluation			
5501	Evaluation Consultants (fees, travel, DSA)	0	0	0
<u>5599</u>	<u>Subtotal</u>	<u>0</u>	<u>0</u>	<u>0</u>
5999	Component Total	35,000	35,000	70,000
99	Direct costs, total	540,000	615,000	1,155,000
	Programme support cost (13%)	70,200	79,950	150,150
99	GRAND TOTAL	610,200	694,950	1,305,150

* The Trust Fund budget reflects the contributions by each member state of US\$ 72,000 per annum. It furthermore includes arrears in contributions and the cash carry over from the UNEP budget in 2015.