

**Financial Rules for the Administration of the Trust Fund
for the Framework Convention for the Protection of the Marine Environment
of the Caspian Sea**

Rule 1

The Conference of the Parties shall designate an organization, body or entity (hereinafter referred to as the Trustee) which shall establish and manage the Trust Fund for the Framework Convention for the Protection of the Marine Environment of the Caspian Sea (hereinafter referred to as the Trust Fund) in accordance with these rules.

Rule 2

For the purposes of these rules:

- (a) "Convention" means the Framework Convention for the Protection of the Marine Environment of the Caspian Sea adopted in Tehran on 4 November 2003;
- (b) "Parties" means Contracting Parties to the Convention;
- (c) "Conference of the Parties" means the Conference of the Parties established in accordance with Article 22 of the Convention;
- (d) "Trustee" means an organization, body or entity, which shall establish and manage the Trust Fund for the Framework Convention for the Protection of the Marine Environment of the Caspian Sea;
- (e) "Trust Fund" means the Trust Fund for the Framework Convention for the Protection of the Marine Environment of the Caspian Sea;
- (f) "Executive Secretary" means the chief administrative officer of the Secretariat of the Convention for the Protection of the Marine Environment of the Caspian Sea;
- (g) "Secretariat" means the Secretariat of the Framework Convention for the Protection of the Marine Environment of the Caspian Sea.
- (h) "Financial period" means a biennium consisting of two consecutive calendar years.
- (i) "Rules of Procedure" means the Rules of Procedure for the Framework Convention for the Protection of the Marine Environment of the Caspian Sea .

Rule 3

The Trust Fund shall be used for funding the administration of the Convention, including the functioning of the Secretariat.

Rule 4

The Trust Fund shall be financed from:

- (a) “Contributions made by the Parties for the functioning of the Convention Secretariat are calculated on an equal share basis as set forth in the appendix 1 to the budget”;
- (b) Additional voluntary contributions made by Parties;
- (c) Contributions from States not Parties, as well as governmental, intergovernmental and non-governmental organizations and programmes for implementing the objectives of this Convention as well as funding from other sources.

Rule 5

The Conference of the Parties shall determine the amount of the contributions referred to in paragraph (a) of Rule 4. Annual contributions are due to be paid during the first quarter of the calendar year.

Rule 6

All contributions shall be paid in United States dollars or its equivalent in a convertible currency and into a bank account to be specified by the Trustee. In conversion of currencies into United States dollars, current exchange rate according to the date of receipt by the trustee of the currency shall be used.

Rule 7

Bank accounts of the trust fund shall be kept in such currency or currencies as the Trustee deems necessary.

Rule 8

Budget proposals expressed in United States dollars covering the expenditure and income from contributions referred to in paragraph (a) of Rule 4 shall be prepared by the Executive Secretary for the financial period. The Executive Secretary shall send the budget proposals to the Parties at least 90 days before the date of each ordinary meeting of the Conference of the Parties that is scheduled to consider budget.

Rule 9

The budget and appendix 1 to the budget shall be approved by the Conference of the Parties and, if necessary, be revised at an ordinary or extraordinary meeting of the Conference of the Parties, subject to the Rules of Procedure.

Rule 10

Contributions referred to in paragraphs (b) and (c) of Rule 4 shall be used in accordance with terms and conditions agreed between the Executive Secretary and the respective contributor. At each ordinary meeting of the Conference of the Parties, the Executive Secretary shall present a report on contributions received and expected as well as their sources, amounts, purposes, conditions and activities financed by these contributions.

Rule 11

The Executive Secretary may commit resources against the Trust Fund only if such commitments are covered by contributions already received. In the event that the Trustee anticipates that there might be a shortfall in resources over the financial period as a whole, it shall notify the Executive Secretary, who shall adjust the budget so that expenditures are at all times fully covered by contributions received.

Rule 12

The Trustee, on the advice of the Executive Secretary, may make transfers from one budget line to another within the budget.

Rule 13

The Executive secretary determines use of contingency funds and may also make transfers between appropriation lines not exceeding 10 per cent of the total approved budget for the financial period.

Rule 14

Contributions not immediately required for the purposes of the Trust Fund shall be invested in insured financial instruments and any interest so earned shall be credited to the Trust Fund.

Rule 15

It is for the Conference of the Parties and the Trustee to agree on an administrative support charge to be paid to the Trustee.

Rule 16

At the end of each calendar year, the Trustee shall transfer any balance to the following calendar year and submit to the Conference of the Parties, through the Executive Secretary, the certified accounts for that year during the first quarter of the next calendar year. The Trust Fund shall be subjected to the internal and external auditing procedure, as decided by the Conference of the Parties.

Rule 17

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

Rule 18

Executive Secretary shall prepare report on the use of the funds received for implementing the objectives of the Convention and submit it to the Parties at least 45 days before the date of each ordinary meeting of the Conference of the Parties.

Rule 19

In the event that the Conference of the Parties decides to terminate the Trust Fund, a notification to that effect shall be presented to the Trustee at least six months before the date of termination selected by the Conference of the Parties. The Conference of the Parties shall decide, in consultation with the Trustee, on the distribution of any unspent balance after all liquidation expenses have been met.

Rule 20

Any amendments to these rules shall be adopted by unanimous vote of the Conference of the Parties.

Appendix 1

**SCALE OF CONTRIBUTIONS BY STATE PARTIES TO THE TRUST FUND FOR THE
BIANNIUM 2009- 2010 FOR
THE FRAMEWORK CONVENTION FOR THE PROTECTION OF THE MARINE
ENVIRONMENT OF THE CASPIAN SEA**

(THOUSANDS OF US DOLLARS)

State Party	Year 2009	Year 2010
Republic of Azerbaijan	72,000	
Islamic Republic of Iran	72,000	
Republic of Kazakhstan	72,000	
Russian Federation	72,000	
Turkmenistan	72,000	
Total	360.000	