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**Meeting of the States Parties to the Convention  
on the Prohibition of the Use, Stockpiling,  
Production and Transfer of Anti-Personnel  
Mines and on Their Destruction**

30 November 2015

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**Fourteenth Meeting**

Geneva, 30 November - 4 December 2015

**Item 4 (b) of the provisional agenda**

**Administrative and financial issues:**

**Presentation, discussion and decision with  
regard to strengthening financial governance  
and transparency within the ISU**

**Draft decision on strengthening financial governance and  
transparency within the ISU**

**Submitted by the President**

*Considering* the Decision of the Third Meeting of States Parties (2001) to establish an Implementation Support Unit (ISU) for the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction;

*Considering* the agreement concluded in 2011 between the States Parties and the GICHD clarifying the housing arrangements for the ISU and purporting financial oversight;

*Considering*, however, that the issue of adopting a comprehensive framework specifying how the ISU should manage its finances and interact with the Coordinating Committee and the States Parties on budgetary issues had remained open all this time;

*Considering* that the materialization so far of contributions from States Parties at a level equal or higher from one year to another obviated the need for such a comprehensive framework since it allowed for the practice of collecting funds and spending them in a same year. Considering however that the contributions followed a downward trend since 2013 and that they resulted in 2014 in a deficit;

*Considering* that the GICHD generously accepted to cover the deficit from its own reserves, yet on the condition that States Parties would take remedial action in order to ensure that such a situation would not present itself again;

*Considering*, hence, that the adoption of a comprehensive framework specifying how the ISU should manage its finances and interact with the Coordinating Committee and the States Parties on budgetary issues can no longer be postponed;

*Considering* that such a framework should establish a more rigorous budgeting process and introduce proper financial management with increased transparency, predictability and accountability so as to strengthen the relationship between the States Parties and the ISU and increase the sense of ownership of the work performed by it ;



*Considering* that within the current system of voluntary contributions, four-year work plans, yearly budgets, yearly pledging conferences, a financial security buffer and management rules constitute efficient tools that depart as little as possible from ongoing practice ;

*Considering* further that strengthened disciplines are required regarding the implementation of tasks related to enhanced support or in relation to the acceptance of extra-budgetary tasks;

The States Parties, at their fourteenth session, have decided as follows:

## **I. Four-year work plans with budgetary estimates.**

1. Meetings of States Parties or, as the case may be, Review Conferences shall in anticipation of regular four year periods adopt a four-year work plan identifying, on the one hand, the expected workload of the ISU and, on the other, the estimate of the budgetary cost, indicated year by year. The rough estimates of the different categories of expenditures shall be specified, included but not limited to, staff, travel, communication, public relations and other expenses.
2. The first four-year work plan will cover the years 2016, 2017, 2018 and 2019 and must be aligned on the Maputo Action Plan.
3. The four-year work plans shall distinguish between “tasks related to core support” to be mandatorily performed by the ISU and “tasks related to enhanced support” that can be taken on by the ISU only when resources permit. In the budgetary estimates part, the four-year work plans shall hence distinguish between “expenditures related to core support” and “expenditures related to enhanced support”.
4. The existence of four-year work plans shall ascertain the financial needs of the ISU over time. This shall be understood by States Parties as an encouragement to plan contributions on a multi-annual basis.
5. The endeavour shall be to submit four-year work plans at least 60 days before the opening of the Meeting of States Parties or the Review Conference at which they are scheduled to be adopted. The ISU, in cooperation with the Presidency, shall first propose the four-year work plan to the Coordinating Committee for endorsement.

## **II. Yearly budgets.**

1. Every year the ISU shall propose and present to the Coordinating Committee for endorsement and subsequently to the Meeting of States Parties or the Review Conference for approval, a detailed yearly budget and work plan for the ensuing year within the range and limits of the applicable multi-year work plan, both in terms of expenditures related to core support and expenditures related to enhanced support contained therein.
2. Early in each year, as a rule, a conference of States Parties shall be held to collect pledges and contributions in order to obtain an overview of the funds that can be expected for the current year as well as for the foreseeable period. Considering that the ISU provides services of interest to the Convention as a whole, all States Parties should consider it a duty to make contributions. States Parties who are in a position to do so are in addition invited to make multi-annual pledges in accordance with the four-year work plan. The pledging conference shall be chaired by the Presidency.

3. The endeavour shall be to submit yearly budgets at least 60 days before the opening of the Meeting of States Parties or the Review Conference at which they are scheduled to be adopted.
4. On at least a quarterly basis, the ISU shall provide to the Coordinating Committee an update of the contributions received and of the expenditures paid out as well as a schedule of its planned activities.

### **III. Financial security buffer.**

1. The budgetary estimates of the first four-year work plan and the yearly budget for 2016 to be submitted to the 14th Meeting of States Parties shall provide for the gradual build-up of a financial security buffer of an amount equivalent to one year of ISU expenditures related to core support. The objective is to reach the desired level during a transition period that closes in the year 2019 at the latest. After this desired level has been reached, the financial security buffer shall be maintained so as to carry at all times an amount equivalent to one year of expenditures related to core support as provided for in the yearly budget and guarantee the basic operation of the ISU for any foreseeable year.
2. The financial security buffer shall be called upon only in case of a shortfall in contributions at the closure of the accounts of a given year. Its only permitted use shall be to reimburse the GICHD for the cash advances the GICHD would, as at present, continue to consent on a voluntary basis to the ISU in the course of that year. As a rule, the financial security buffer shall cover only the deficit attributable to expenditures related to core support. The Coordinating Committee is required to allow calls on the financial security buffer when the said conditions are fulfilled.
3. The financial security buffer shall be constituted from contributions that do not preclude such a use.

### **IV. Management of expenditures related to core support and of the financial security buffer.**

1. Shortly after the closure of the accounts of a given year, the ISU shall provide the Coordination Committee with the financial situation resulting from the implementation of the yearly budget of the preceding year.
2. When contributions have covered the expenditures related to core support provided for in that budget and leave a surplus, that surplus shall be provisionally placed in the financial security buffer. At the next occasion, as part of the yearly budget approval process, the Meeting of States Parties or the Review Conference shall decide on how to apportion the surplus.
3. When contributions have not been sufficient to cover the expenditures related to core support provided for in the budget of the preceding year, the Coordination Committee shall be under the obligation to call on the financial security buffer to reimburse the GICHD for the shortfall. Simultaneously, it shall examine, together with the ISU, whether there is a risk of further financial shortfall. If necessary, it shall consider all options to remedy that risk, including but not limited to, reducing the expenditures related to core support of the current year with an amount equivalent to the shortfall of the preceding year or ordering the set aside of contributions of the current year to the financial security buffer of an amount equivalent to the shortfall of the preceding year.
4. The Coordinating Committee shall report on these actions to the next Meeting of States Parties or Review Conference.

5. For the first yearly budget after the financial security buffer has reached the amount equivalent to one year of expenditures related to core support, or for the budget of the year 2020, whichever occurs first, the Meeting of States Parties or the Review Conference shall be held to the rule that the yearly budget adopted for the expenditures related to core support shall not exceed the amount available in the financial security buffer. States Parties thus guarantee that the ISU will be in a position to implement the budget as planned. At the same time, States Parties thus ensure that the financial security buffer remains commensurate with the ambitions to be maintained in terms of expenditures related to core support of the ISU.

## **V. Tasks and expenditures related to enhanced support.**

1. Tasks and expenditures related to enhanced support shall be taken on by the ISU under two conditions. First, that earmarked resources for them have been identified in advance of the adoption of the budget either in the form of paid contributions or at least of written pledges. Second, that the tasks related to enhanced support can be performed without prejudice to the implementation of the core tasks of the ISU.

2. The yearly budget shall include expenditures related to enhanced support only if expenditures related to core support are provided for in the form of a sufficient financial security buffer. During the transition period, while the buffer in any one year has not reached the level required to cover the expenditures related to core support of that year, no expenditures related to enhanced support shall be planned in the yearly budgets.

3. Expenditures related to enhanced support can be financed from surplus financial means not needed for the financial security buffer if the Meeting of States Parties or the Review Conference so decides in the course of the yearly budget approval process.

4. In case contributions towards expenditures related to enhanced support do not materialize in a timely manner or if these expenditures run the risk of exceeding the funds made available for this purpose, the Coordination Committee shall order the immediate discontinuation of the implementation of the tasks related to that enhanced support. Funds lost on these occasions shall be recouped from the provider of the initial funds and/or of the written pledge. In no case shall funds destined for expenditures related to core support or constituting the financial security buffer be called upon. Alternatively, if a surplus is produced, it shall be returned to the provider of the initial funds or be allocated conform the provider's instructions.

## **VI. Extra-budgetary tasks.**

1. The ISU can undertake activities or projects that do not feature in its yearly budget, including at the invitation of State Parties or third parties not signatory to the Convention, when full additional financing is being provided in the form of paid contributions or at least of written pledges and when the Coordinating Committee is explicitly consenting thereto.

2. The Coordinating Committee shall only give its consent when it is satisfied that there is no cross-subsidization from ISU resources covering expenditures related to core support or covering expenditures related to enhanced support and when these extra-budgetary tasks can be taken on without prejudice to the implementation of the core tasks and the tasks related to enhanced support of the ISU.

3. When appropriate, the ISU shall propose to the Coordination Committee to negotiate an overhead percentage to be withheld on contributions towards extra-budgetary

expenditures in order to cover the cost to the States Parties of the implementation of extra-budgetary tasks.

4. In case contributions towards extra-budgetary expenditures do not materialize in a timely manner or if these expenditures run the risk of exceeding the funds made available for this purpose, the Coordination Committee shall order the immediate discontinuation of the implementation of these extra-budgetary tasks. Funds lost on these occasions shall be recouped from the provider of the initial funds and/or of the written pledge. In no case shall funds destined for expenditures related to core support, funds destined for expenditures related to enhanced support or funds constituting the financial security buffer be called upon. Alternatively, if a surplus is produced, it shall be returned to the provider of the initial funds or be allocated conform the provider's instructions.

## **VII. Reporting.**

1. The ISU shall submit an annual report on the implementation of its budget. This report shall integrate the reporting elements owed by the Coordinating Committee under 4 above.

## **VIII. Entry into force.**

1. This decision enters into force immediately upon adoption.

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