

BACKGROUND AND UPDATE ON THE FINANCING OF THE IMPLEMENTATION SUPPORT UNIT

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Background on the financing of the ISU:

The 2001 Third Meeting of the States Parties (3MSP) endorsed the President's Paper on the Establishment of an Implementation Support Unit (ISU), welcoming the establishment of the ISU, within the Geneva International Centre for Humanitarian Demining (GICHD), "to further enhance the operation and implementation of the Convention."¹ The 3MSP also "encouraged States in a position to do so to make voluntary contributions in support of the unit."²

As noted in the final documents of the 2009 Second Review Conference (2RC), between 2002 and 2009, "the work to implement and ensure compliance of the Convention (had) in many ways evolved and matured, and the demands on the ISU (had) increased in quantity and changed in quality. As a result, the competence and capacity of the ISU (had) developed to respond to increasing demands by States Parties."³

Given this evolution, the 2009 Second Review Conference agreed to establish an open ended task force to evaluate and made recommendations regarding the ISU. It was agreed that "the evaluation and recommendations should address issues related to securing ISU's future support to the State Parties, including, but not limited to, the following issues: (a) The tasks and responsibilities of the ISU; (b) The financing of the ISU; and (c) The institutional framework for the ISU."⁴

As a result of this evaluation, the States Parties took decisions with respect to the tasks and responsibilities of the ISU and the institutional framework for the ISU. In particular, the 2010 Tenth Meeting of the States Parties (10MSP) "adopted the *Directive from the States Parties to the ISU*, (...) ensuring that the ISU is directly responsible to the States Parties while it continues to be hosted by the GICHD."⁵ The *Directive* mandates the ISU to support the Convention's multilateral machinery, to advise and support individual States Parties, to communicate about the Convention, keep records and liaise with relevant actors.

The *Directive* also spells out how the ISU is accountable to the States Parties. This includes that the ISU Director shall propose and present a work plan and a budget for the activities of the ISU for the following year to the Coordinating Committee for endorsement and subsequently to each Meeting of the States Parties or Review Conferences for approval. The ISU Director goes beyond what is minimally required in terms of accountability and transparency in that, prior to presenting a work plan to the Coordinating Committee for endorsement, the Director writes to all States Parties to solicit their views and ideas, and, the Director is proactive with the recent contributors to the ISU to seek out their views at a meeting.

While the 10MSP took decisions with respect to the tasks and responsibilities of the ISU and the institutional framework for the ISU, it did not take decisions regarding the financing of the ISU. It did, however, "(task) the President to establish an informal open-ended working group to examine new

¹ 3MSP Final Report, Part I, paragraph 33.

² 3MSP Final Report, Part I, paragraph 33.

³ 2RC Final Report, Part V, paragraph 2.

⁴ 2RC Final Report, Part V, paragraph 9.

⁵ 10MSP Final Report, Part I, paragraph 24.

models for the financing of the ISU and present recommendations and draft decisions on the most feasible comprehensive financing model for adoption by the Eleventh Meeting of the States Parties (11MSP), so it may be effective from the financial year 2012.”⁶

In September 2011, the President issued a discussion paper⁷ in which he proposed the following “elements” for a new funding model:

- “The ISU to be financed through a hybrid model, comprising both assessed and voluntary contributions including the Swiss in-kind contribution via the GICHD.”
- “Assessed contributions would cover costs related to providing general implementation support, including as a minimum the costs for operating a secretariat with 3 fulltime positions. This could include those activities listed under the headings “General support; Community and Liaison; Article 5 extensions process” in the ISU 2011 Budget. (2011 Total: CHF 615.000)”
- “Voluntary contributions would cover costs related to providing individual implementation support. This would include those activities listed under the heading “Article 5 implementation; Victim Assistance and implementation support” in the ISU 2011 Budget (2011 Total: CHF 435.000)”

That is to say, on the basis of discussions undertaken by the Task Force, the President concluded the following: “There is also general agreement that the present configuration of the ISU is to be preserved, as it is considered to be a compromise. The task of the States Parties, therefore, is to establish a funding model that generates approximately CHF 1.2 million per year.”

At the 11MSP in 2011, the outgoing President delivered a report in which he indicated that it was not possible to propose a revised financing model that would be acceptable to all States Parties. It was agreed in the final report of the 11MSP “to work to improve the present funding model and to ensure sufficient contributions are provided to the ISU as long as the financing model remains unchanged.”⁸

Hence the ISU is and always has been financed through a model that is inherently flawed, but with flaws that could be overcome. The challenge to overcome relates to how what the ISU produces is available to all, but the responsibility to pay for it is diffuse, rather than specific. This can be illustrated through the fact that, from 2010 to 2014, of over 160 States Parties, the number of contributing States in any particular year ranged from 23 to 32.

Efforts taken to manage costs:

In 2014, the challenge of financing the ISU was particularly problematic. While more States Parties than ever before – 32 – contributed to the ISU, and while the ISU undertook efforts to cut costs relative to its approved budget, the ISU’s financing needs fell short of what was required to the amount of CHF 176,363. The GICHD agreed to cover this deficit, but as a one-time, extraordinary measure and with the insistence that the States Parties assure that it will not occur again.

The fact that in 2014 voluntary contributions fell short of projected costs for the 2014 work plan produced significant lessons:

⁶ 10MSP Final Report, Part I, paragraph 24.

⁷ *Towards a new financial model for the Implementation Support Unit: Discussion paper by the President of the Tenth Meeting of the States Parties*, September 2011

⁸ 11MSP Final Report, Part I, paragraph 21.

- Lesson for the ISU: There is a need for the ISU's spending to not outpace a realistic projection of revenue.
- Lesson for the States Parties: The ISU can only have a realistic projection of revenue if States Parties notify the ISU in a timely manner regarding their intentions to provide contributions.

In December 2014, the ISU Director wrote to all States Parties to acknowledge that, in 2015, the ISU clearly must proceed in a prudent manner. This included an acknowledgement that the ISU must reduce costs to bring total estimated costs to implement its 2015 work plan to a lower level, and that the ISU must develop contingencies to make upwards or downwards adjustments in activity in accordance with revenue received and projected to be received.

Given the sensitivity to the need to reduce costs, the ISU Director took action to significantly reduce the salary of the position of ISU Director. In addition, the Director indicated that, until revenue received and projected to be received reached a level that would give him confidence that the ISU could spend at this level, he would begin 2015 at an even lower level of expenditures. This would occur as a result of (a) delaying the staffing the ISU's vacant half-time support position and (b) deferring any mission activity.

The Director also indicated that, by 15 March 2015, the ISU would reassess the status of received / expected revenues, with three possible scenarios existing at that time:

- i. If funding permitted expenditures in excess of CHF 58,087 per month, the ISU would return to activity levels indicated in the agreed work plan, with the magnitude of these activities subject to actual received / expected revenues.
- ii. If funding permitted continued expenditures at a level of CHF 58,087 per month, the ISU would further delay the staffing the ISU's vacant half-time support position and continue to defer any mission activity.
- iii. If funding warranted expenditure levels below CHF 58,087 per month, the ISU would present options to the Coordinating Committee on the further reduction in costs, which naturally would mean a reduction in the cost of human resources, which in turn would have a more significant impact on the ability of the ISU to deliver on its mandate.

On 20 February, the ISU Director informed the Coordinating Committee that the ISU's revenue forecast for 2015, as of that date, was approximately CHF 685,000, i.e., approximately CHF 15,000 less than required to continue at already reduced levels, and, that this was simply a forecast, with the vast majority of this forecast not secured. The Director noted that, as a result of this forecast, reassessing the status of received / expected revenues "by 15 March 2015" may need to mean by the end of February. The Director also informed the Coordinating Committee that the options available to him included the termination of contracts, salary reductions, leave without pay, or combination of these measures.

As the situation remained the same at the beginning of the week of 23 February, it did not give the ISU Director confidence that a deficit situation could be avoided in 2015 and, in accordance with his December 2014 approach to prudent and responsible implementation of the ISU's 2015 work plan, the Director concluded that spending cuts would have to be made. These cost-cutting measures, which now have been acted upon, are as follows:

- One full-time expert position has been suppressed, with contract termination to take effect as of 31 May 2015.
- Agreement was reached with the GICHD Director to deviate from the application of the GICHD's internal rules and regulations as concern the salary scale with a view to seeing that ISU expert staff salaries would be capped.
- The change in the application of the rules and regulations as concerns the salary scale affects two other experts, who were offered new contracts at reduced salaries, to take effect on 1 June 2015.

To conclude with respect to costs, measures have now been taken by the ISU Director to ensure that the ISU does not produce a deficit in 2015.

Further to the course of action that the ISU Director indicated to the States Parties in December 2014 that he would take to ensure prudent and responsible implementation of the ISU's 2015 work plan, the ISU has indeed returned to carry out some activities indicated in the work plan that was agreed to by the States Parties, including limited mission activity.

The overwhelming point of view expressed by many States Parties at the informal meeting convened by the President on 13 April 2015 was that ISU support to individual States Parties amounts to the most important core area of activity by the ISU. The ISU, funding permitted, cannot ignore this part of its mandate and the importance States Parties attach to it, particularly given that a significant number of contributors to the ISU are mine-affected States Parties. The ISU's return to carrying out limited activities, however, has been done only in such a manner that a deficit can still be avoided in 2015 should conditions dramatically change vis-à-vis the current revenue forecast.

Expenditures to date and projected expenditures using two scenarios:

	Expenditures Jan-Jun recorded to date	Projected expenditures June-Dec operating at reduced capacity	Total projected expenditures Jan-Dec operating at reduced capacity	Projected expenditures June-Dec operating at higher levels of capacity	Projected expenditures June-Dec operating at higher levels of capacity
Salaries, social costs, other staff costs	CHF 300'914	CHF 315'099	CHF 616'013	CHF 90'000	CHF 706'013
Travel	CHF 6'479	CHF 10'000	CHF 16'479	CHF 15'000	CHF 31'479
Other costs	CHF 1'478	CHF 16'031	CHF 17'509	CHF 12'508	CHF 12'508
	CHF 308'870	CHF 341'130	CHF 650'000	CHF 117'508	CHF 750'000

Mission activity to date:

Mission	Purpose	Cost
Turkey (2 days)	Participate in the Ankara Mine Action Seminar Turkey to advise Turkey and other participants on the Maputo Action Plan's mine clearance commitments and on the role of mine action structures in victim assistance.	CHF 2 ⁹
Croatia (3 days)	Participate in the 12 th International Mine Action Symposium with a view to advising mine action authorities from Bosnia and Herzegovina, Croatia and Serbia on Maputo Action Plan mine clearance commitments; liaise with partners from RACVIAC, TIRAMISU, James Madison University and others.	CHF 1,143

⁹ All other costs covered by workshop host.

Cambodia / Thailand (3 days)	Participate in a regional seminar on the management of residual explosive contamination to contribute perspectives regarding how Convention obligations relate to the emerging concept of “residual contamination”; Advise Cambodian and Thai mine action authorities on the mine clearance and victim assistance commitments of the Maputo Action Plan; Participate in planning meetings with the Thai Ministry of Foreign Affairs concerning the Bangkok Symposium.	CHF 2,403
Tajikistan (3 days)	Advise Tajikistan’s mine action authority on the development of a well elaborated completion plan that addresses questions concerning the remaining contamination, challenges faced and how Tajikistan will address these, and that serves as a resource mobilizing tool.	CHF 1,891
Belarus (2 days)	Participate in the First Eastern Europe, Caucasus and Central Asia (EECA) Regional Workshop, including by delivering a presentation on the status of the Convention, the Maputo Action Plan and ways that States not party to the Convention can participate in the work of the Convention, in support of the States’ Parties commitment in Action #1 of the Maputo Action Plan	CHF 1,040
Thailand (3 days)	Participate and support the Bangkok Symposium on Victim Assistance, including by delivering two panel presentations, ensuring sound coordination of all panels, and assisting in preparing the Chair’s summary	CHF 0 ¹⁰
	Total	CHF 6,479

Staffing

	Agreed work plan	January 1 st	May 1 st	July 1 st
Regular staff	1 Director = 1 FTE 3 Professional officers = 2.6 FTE 1 Support = 0.5 FTE	1 Director = 1 FTE 3 Professional officers = 2.6 FTE	1 Director = 1 FTE 2 Professional officers = 1.6 FTE	1 Director = 1 FTE 2 Professional officers = 1.6 FTE
Temporary staff	1 Junior officer (intern) = 1FTE	1 Junior officer (intern) = 1FTE	1 Junior officer (intern) = 1FTE	

ISU revenue:

The 2014 Maputo Review Conference mandated the Convention’s President to “lead efforts to mobilise sufficient resources to fund the operations of the Implementation Support Unit.” In practice, resource mobilisation efforts in 2015 have been almost exclusively carried out solely by the ISU itself, and the ISU has been vigorous in doing so. This was never envisaged as a core task of the ISU.

On the basis of approximately 250 contacts (i.e., letters, phone calls, emails, meetings) with 140 States Parties, as of 24 June, the ISU concludes that contributions received, funding agreements in place, strong expectations of contributions to be received and reasonable expectations of contributions to be received amount to approximately CHF 764,034.

- Funds totalling CHF 194,173¹¹ have been received from 13 States Parties: Algeria (CHF 5,287) Bulgaria (CHF 1,635), Chile (CHF 18,892), Costa Rica (5,146) Cyprus (2,671), Estonia (CHF 5,081), Germany (CHF 42,275), Jordan (CHF 902), Mozambique (CHF 5,000), Serbia (1,823), Switzerland (CHF 64,000), Thailand (CHF 5,000), Turkey (CHF 4,716) and the United Kingdom (CHF 27,701).
- Agreements have been signed or written pledges received from seven (7) States Parties totalling approximately CHF 308,261: Australia (AUD 120,000), Denmark (DKK 300,000), Ireland (€20,000), Italy (€ 47,500¹²), Japan (CHF 87,461), Mexico (US\$ 6,959), and Switzerland (CHF 16,000).

¹⁰ All costs covered by workshop host.

¹¹ This amount includes CHF 3,953 in miscellaneous income.

¹² Italy’s pledge is provide “not less than € 47,500”.

- The ISU has strong expectations that 7 States Parties combined will contribute approximately CHF 113,900. A “strong expectation” results when a State Party has expressed with confidence, by email or orally, that it will contribute to the ISU. In some instances when States Parties are not indicating the likely amount of the contribution, the ISU has made an estimate.
- The ISU has reasonable expectations that 12 States Parties combined will contribute approximately CHF 147,700. A “reasonable expectation” is based on either an intention to contribute having been made, albeit with a degree of uncertainty, or recent historic contributions to the ISU.
- The ISU has now approached an additional 98 States Parties, which either are investigating the possibility of funding the ISU or have not expressed to the ISU that they have ruled it out.
- The Presidency has informed the ISU that two States Parties will not contribute to the ISU in 2015. The ISU also knows of three other State Parties that will not contribute to the ISU in 2015.

Should the ISU be able to acquire approximately CHF 764,034, much of the ISU’s 2015 work plan can still be implemented in at least the second half of the year. However, from the point of view of prudent planning, the ISU must be conscious of the fact that, of the current forecast of approximately CHF 764,034 in revenue, only approximately CHF 500,500 has been secured.

The ISU will continue to proceed in an extremely cautious matter as concerns expenditures and the ISU kindly requests States Parties to provide contributions or clarity regarding intentions to contribute.

That is, steps that the ISU Director is taking to ensure prudent and responsible implementation of the ISU’s 2015 work plan are only as good as steps States Parties take to notify the ISU, in a timely manner, of their intentions to contribute.

Conclusion:

The ISU’s 2015 work plan and budget were shaped by the input provided by States Parties in response to the invitation the ISU Director issued in April of last year. This was endorsed by the Coordinating Committee and approved by the Third Review Conference. The 2015 work plan is results-based and aligned with the ambition and commitments contained in the Maputo outcome documents. The ISU staff looks forward to fully implementing the work plan should sufficient resources be provided. The ISU Director has undertaken efforts to cut costs and avoid producing a deficit. The matter of providing the ISU with sufficient revenue rests with the States Parties.