



04w
Agenda item 4

Chemical Safety for Sustainable Development

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FORUM V
Fifth Session
of the
Intergovernmental Forum on Chemical Safety

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IFCS FINANCIAL STATEMENT

Prepared by: IFCS Secretariat

DECISION DOCUMENT

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ACTION REQUESTED

The Forum is invited to

- note the report set out in this document;
- in conjunction with considering and taking a decision on the future role of IFCS, as appropriate
 - consider and approve a budget for the period up to and including Forum VI; and
 - consider how best to ensure contributions to the Trust Fund are made to cover administrative and operational expenses taking into consideration the fact that the current resources are provided by a limited number of countries/organizations.

INTRODUCTION

This report presents information on:

- IFCS Trust Fund which supports the organizational and administrative arrangements of the IFCS and secretariat;
- other resources contributed to support IFCS efforts (i.e. indirect and in-kind);
- a proposed Trust Fund budget for the period 2007 - 2008;
- IFCS Twinning Funds and bilateral twinning; and
- IFCS Fund for Advocacy and Action Promotion.

Since its inception, interested stakeholders from national governments, and intergovernmental and non-governmental organizations have supported the IFCS through direct financial contributions and in-kind contributions of time and expertise. The money has been used for two purposes. The **Trust Fund** supports the overall organizational and administrative costs of the IFCS. The **Twining Funds** support the participation costs of countries (developing and in economic transition) and non-governmental organizations at IFCS events and meetings by covering their travel costs. Each is an independent financial requirement and yet both are necessary if the goals and objectives are to be achieved. For sessions of the Forum, the host government has the responsibility making arrangements for and covering the costs of the meeting including such items as conference facilities and related infrastructure, conference service staff, translation and interpretation, and organizing all other local arrangements.

TRUST FUND

The day-to-day administrative and operational expenses of the IFCS are covered by the Trust Fund which was established and is administered by WHO. Expenses include personnel salaries, consultants, temporary staff, supplies and operating expenses.

In establishing the Forum, governments recognized and agreed that it would have to be financed through voluntary extra-budgetary contributions. The reasons for the Trust Fund method of financing included:

- An openness to voluntary rather than assessed contributions.
- Flexibility in funding (enables surpluses or deficits from one accounting period to the next).
- Acceptance of non-governmental monies as contributions.
- No minimum or maximum limits for contributors.

Another reason for the establishment of the Trust Fund was to have the ability to build and maintain a basic reserve in operational funds so as to ensure the IFCS would provide effective leadership and quick response to emerging issues in a timely manner.

An overview of the contributions, expenditures and balance of the Trust Fund for the period 2004 to 2006 is presented in Table 1; details are provided in subsequent tables.

Resources received and pledged

Contributions received or pledged since the establishment of the IFCS (April 1994) are shown in Table 2. In addition to financial contributions to the IFCS Trust Fund, domestic funds or in-kind resources have been made available by a number of donors; these are listed in the Annex 1. Contributions in-kind are difficult to reflect in monetary terms, but have been invaluable in furthering the work of the IFCS

The administrative and financial arrangements relating to the location of the IFCS Secretariat at the

headquarters of the World Health Organization were renewed in 2000. The terms of the arrangement may be modified at any time upon an Exchange of Letter and remain in effect unless terminated by WHO or the President of the IFCS subject to three months written notice (Annex 2). As part of the administrative and financial arrangements between WHO and the IFCS, WHO charges 13% programme support costs on the expenditures of the resources in the Trust Fund. In return, WHO provides the following facilities without extra charge: office space for up to 6 persons, conference accommodation, storage space, heating, lighting, cleaning, basic furniture of the aforementioned offices and other items needed for the maintenance and operation of an office building. WHO has established the Trust Fund for the IFCS and is responsible for its overall management. In addition, the services of such departments as information systems (including Internet access and facility for IFCS web site), travel and the library are provided free of charge, while services such as duplication, mailing facilities and translation are made available at reasonable costs.

Expenditures

Table 3 shows the financial disbursements in terms of personnel costs, consultants, temporary staff, travel, document production, supplies and operating expenses in 2004/2005 and an estimate of expenditures incurred in 2006.

Proposed budget 2007 - 2008

Table 4 presents the proposed budget for 2007-2008. The proposed budget is based on the possible future role of IFCS presented in the Forum V meeting document "Thought Starter on the Future of ICS" (IFCS/FORUM-V/02TS) and the assumption of limited in-kind contributions.

TWINNING FUNDS

Government Participants

The success of the Forum depends on the wide participation of IFCS members, especially developing countries and countries with economies in transition (CEIT). In accordance with IFCS adopted practice, no IFCS Trust Funds may be used to support travel or accommodation costs of participants in IFCS activities or meetings. Rather "twinning" arrangements are fostered wherein a developed country or organization supports the participation costs of countries needing assistance. Participants who are in a position to offer such support are encouraged to do so either through contributions to the IFCS Twinning Fund or bilateral arrangements.

Information on the contributions and expenditures for IFCS developing country and CEIT "twinning arrangements" for the time period including Forum IV through Forum V are provided in Tables 5 and 6.

Non-governmental Organizations

The full recognition of the role of all sectors of society - governments, social partners, industry, scientific organizations, and environmental, public interest and worker groups - in promoting the sound management of chemical risks is an essential element in the Forum's working mechanism. A special Twinning Fund to support participation by non-governmental organizations at IFCS events and meetings was established in 1999 with the aim to enhance NGO participation in IFCS activities and encouraged governments to promote NGO participation at national and international levels. It is through active participation in IFCS efforts and meetings that NGOs become part of the contributing solution to global chemical safety. Without this financial support to cover travel and accommodation costs, their

participation would be extremely limited.

To support this approach and help ensure adequate representation from all non-governmental groups, donors may make designated contributions to the Twinning Fund to support the participation of non-governmental organizations needing assistance in IFCS meetings. Designated contributions for NGO support are managed separately in the Twinning Fund.

Tables 7 and 8 provide information on the contributions and expenditures for the IFCS NGO Twinning Fund for the time period including Forum IV through Forum V.

IFCS Fund for Advocacy & Action Promotion

The IFCS has a responsibility to promote the support required for all its participants to respond to its recommendations and agreed actions. The functions of the IFCS include the promotion of the strengthening of national capabilities and capacities for chemicals management, especially in relation to infrastructure building, training, education, research and monitoring, and provision of information. To raise awareness and inform developing countries and other stakeholders on the IFCS recommended actions, the IFCS undertakes through its participants a range of activities. In 2004 in response to a proposal from the Government of Thailand, a separate fund was established to support the special initiatives undertaken by the IFCS. The contributions to and expenditures from this fund are reported in Table 9. Efforts support with these funds include the following.

- Following Forum IV, the IFCS President established a programme of IFCS "Champions" to advance Forum IV recommendations and action items, and the IFCS Priorities for Action beyond 2000. The aim of the IFCS Champions programme is to increase awareness of and action on the IFCS agenda throughout the world. Further information on the Champions programme including activities reports is available on the IFCS website (<http://www.who.int/ifcs/champions/en/>).
- To address the wide gaps that exist between developed countries and developing countries in their ability to pursue chemical safety policies, Forum IV initiated a process to propose a systematic way of strengthening the sound management of chemicals in countries who are lagging behind in the implementation of international activities on chemicals management. A progress report on this initiative will be presented to Forum V (IFCS/FORUM-V/4 INF).
- Forum III supported the development of an Information Exchange Network on Capacity Building for the Sound Management of Chemicals (INFOCAP) and recommended that the IFCS secretariat serve as the Central Coordinating Node for the Network during its start-up phase. During the period 2004-2005, the European Commission funded a project to assist national governments and public interest Non-Governmental Organizations (NGOs) in developing countries to use INFOCAP and to contribute actively to the different network services. The project also supported the active participation of public interest NGOs in planning and organizing capacity building projects and strategy development to demonstrate practicability and value-added of the coordinated approach.

Table 1 IFCS Trust Fund - Overview 2004-2006	
TOTAL (US\$)	
Balance 1 January 2004	526,000
Contributions 2004/2005	
Received	778,394
Expenditures	1,130,357
Balance 31 December 2005	174,037
Contributions 2006	
Received	428,379
Expenditures (estimate)	463,102
Balance estimate 31 December 2006	139,314

Table 2 IFCS Trust Fund Financial contributions and pledges (*pledges - approximate \$ value - in italics*) (in US\$) April 1994 (*post Forum I*) - to date

Donor	1994 to 2000	2001	2002	2003	2004	2005	2006	2007
Australia	41,130	13,063	14,163	16,666	17,916	26,106		
Austria	9,977							
Canada	147,467	100,000	64,103		45,136	38,017		
Denmark	37,673	12,346	13,158			17,575		
Cyprus						1,175	1,100	
European Commission	50,987							
Finland	17,569			4,306				
Germany	765,300	93,729	96,018	216,867	124,706	58,824 ⁽³⁾ 133,672	124,546 58,823 ⁽⁵⁾	
Hungary	5,000							
Ireland	59,809							
Japan	346,411		46,000	46,000	22,494	28,800	21,600	
Netherlands		49,503	44,248					
Norway	31,495	11,261						
Slovenia						3,627	<i>10,200</i>	
Spain	24,000	6,000	12,639		7,463 ⁽²⁾	14,475 ⁽⁴⁾		
Sweden	85,000	11,985	11,975		23,950 ⁽¹⁾	11,975	12,412 ⁽⁵⁾ 12,000	
Switzerland	126,354	16,854	11,905	55,962	39,062	44,250 ⁽³⁾ 39,063	129,771 ⁽⁵⁾ 38,400	
Trinidad & Tobago		1,000	1,000	1,000	1,000	1,000	⁽⁶⁾	
United Kingdom	129,330							
VCI – Germany	78,090	13,944	15,113	18,273	20,356	20,752	19,347	
USA	1,020,865	163,400	250,000	185,000	65,000	20,000		
TOTAL annual	2,976,457	493,085	580,322	544,074	343,083	435,311	<i>428,379</i>	

(1) \$11,975 - 2003 contribution received in 2004 (2) 2003 contribution received in 2004 (3) Additional 2004 contribution received in 2005 (4) \$7,750 - 2004 contribution received in 2005 (5) Additional 2005 contribution (6) Annual contribution used to support GOV delegates participation in Forum V

Table 3 IFCS Trust Fund - Report on Expenditures (US\$)		
CATEGORY¹	TOTAL 2004-2005	TOTAL 2006 (estimated)
Executive Secretary	379,500	182,000
Professional Staff	202,262	
Secretarial, technical (web manager), administrative, financial staff	284,200	135,000
Temporary Staff		
Consultants	48,065	36,250
Duty Travel: staff & temp advisors	32,631	15,575
Document Production		
• translation/word processing	9,017	31,500
• duplication/printing	15,879	
Communications (telephone & fax; mailing) <i>including costs of teleconferences (FSC & WGs)</i>	11,085	4,000
Equipment, supplies & misc operating expense	21,854	5,500
Sub-total	968181	409,825
Programme support costs (13%)	125,864	53,277
TOTAL	1,130,357	463,102

¹ Except as noted, staff costs shown are total (salary, post adjustment, benefits, etc).

Table 4 IFCS Trust Fund
Proposed Budget of the IFCS Secretariat (US\$)
2007 - 2008

	2007		2008	
	Person Months	Costs	Person Months	Costs
Executive Secretary	12	182,000	12	182,000
Professional staff				
Secretarial/administrative financial staff	24	160,000	24	160,000
Temporary staff				
Consultants		30,000		30,000
Duty travel (staff and temporary advisors) ¹		20,000		25,000
Document Production - translation, word processing		10,000		35,000
- duplication, printing etc		1,000		1,000
Communications: - telephone (including teleconferences), fax, mailing		5,000		5,000
Equipment, supplies and miscellaneous operating expenses		5,000		15,000
Subtotal		413,000		453,000
Programme support costs (13%)		53,690		58,890
TOTAL		466,690		511,890

¹ Travel expenses include travel costs for core IFCS Secretariat staff, all seconded/detailed staff (in Geneva and elsewhere), and temporary advisors.

Table 5 IFCS Twinning fund – Governments Financial Contributions and pledges (US\$)			
CONTRIBUTORS	1995 - 2003 Summary	2004-2005	2006
Australia	15,411		
Canada	25,748		
Denmark	63,478		
Finland	10,988		
Germany	229,102		110,771
Norway	15,331		
Sweden	19,994		
Switzerland	77,243		57,000
United Kingdom	14,974		
United States	18,5891		
CropLife (formerly GCPF)	30,000		
ICCA	63,000		
WCC	10,000		
UNITAR	10,000		
Cumulative total	771,160		938,931

Other Contributions:
- OPCW (2003 Forum IV) 20 participants (value approx. USD45,000)
- OPCW (2006 Forum V) 12 participants (value approx. USD43,000)

Table 6	IFCS Twinning Fund - Participation of Governments Expenditures – Forum IV through Forum V (US\$) (including Programme Support Cost 13%)	
Meeting	No. Participants Supported	Funds
Forum IV November 2003	57 ¹	234,910
Forum Standing Committee		
- June 2004 Bonn	10	19,775
- June 2005 Budapest	8	22,700
- March 2006 Budapest	7	17,300
<i>Funds available at July 2006</i>		<i>217,821</i>
Forum V, September 2006 (<i>estimate</i>)	60 ²	209,000
<i>Estimated balance - Oct 2006</i>		<i>8,800</i>

¹ OPCW funded an additional 20 participants for Forum IV (approx. USD45,000)

² Includes 12 participants for Forum V funded by OPCW (approx. USD43,000)

Table 7	IFCS Twinning fund - Nongovernmental Organizations Financial Contributions and pledges (US\$)		
CONTRIBUTORS Twinning - NGOs	1999 - 2003 Summary	2004-2005	2006
Denmark	20,403		
Germany	63,144		67,800
Canada (CCOHS)			22,000
Switzerland			7,000
Cumulative total	83,547		180,347

Table 8	IFCS Twinning Fund - Participation of Nongovernmental Organizations Expenditures – Forum III through Forum IV (US\$) Including Programme Support Costs (13%)	
Meeting	No. Participants Supported	Funds
Forum IV November 2003	29	35,674
Forum Standing Committee		
- June 2004 Bonn	3	3,900
- June 2005 Budapest	2 ¹	2,556
- March 2006 Budapest	4	6,430
Funds available at September 2006		97,000
Forum V September 2006 (<i>estimated</i>)	29 ²	96,000
Remaining funds available (<i>estimated</i>)		1,000

¹ One additional represented funded through INFOCAP Project

² 19 NGO participants were support through a special costs savings arrangement with IPEN

Table 8	IFCS Twinning Fund - Participation of Nongovernmental Organizations Expenditures – Forum III through Forum IV (US\$) Including Programme Support Costs (13%)	
Meeting	No. Participants Supported	Funds
Forum IV November 2003	29	35,674
Forum Standing Committee		
- June 2004 Bonn	3	3,900
- June 2005 Budapest	2 ¹	2,556
- March 2006 Budapest	4	6,430
Funds available at September 2006		97,000
Forum V September 2006 (<i>estimated</i>)	29 ²	96,000
Remaining funds available (<i>estimated</i>)		1,000

¹ One additional represented funded through INFOCAP Project

² 19 NGO participants were support through a special costs savings arrangement with IPEN

Table 9 IFCS Fund for Advocacy and Action Promotion 2004-2006 (US \$)

Contributions - undesignated	
Thailand	73,700
Expenditures	
Consultants, conference expenses, travel	73,700
Programme support costs	8,500
Balance	-0-
Contributions - designated	
• Switzerland - Addressing the widening gap initiative	33,335
Expenditures	
Travel - Expert Group Meeting Participants (including Programme support costs)	33,335
Balance	-0-
• US - Children and Chemical Safety	50,000
Expenditures	
Temporary Assistants/consultants, document production , duplication/printing, translations, travel, mailing	44,052
Programme support costs	4,548
Balance	1,400
• European Commission - Capacity Building for Use and Contribution to INFOCAP in Developing Countries	[189 000 Euros]
- Assist DC to organize themselves to use and contribute actively to the different network services of INFOCAP	
- Establish links to local and regional public interest NGOs, initiate use of INFOCAP information, and coordinate the contribution of public interest NGOs to INFOCAP on local, regional, and international level.	
- Carry out pilot initiatives for the active participation of public interest NGOs in planning and organizing capacity building projects and strategy development to demonstrate practicability and value-added of the coordinated approach	
- Presentation of INFOCAP at regional and international level, to promote broad acceptance and stimulate active use and contribution to the network	
Balance	-0-

Annex 1

In-kind/Other Resources Contributed to Support IFCS Efforts (2004 - 2006)

IFCS participants are requested to inform the Secretariat of other in-kind contributions and support that should be included in the listing.

Office of the President IFCS
Thailand, November 2003 - September 2006

IFCS Meetings:

- African Regional Group Side Meeting. May 2004 - Nigeria.
- Asia - Pacific Small Group Planning Meeting. November 2004 - Philippines.
- Central & Eastern Europe Regional Consultation. May 2005 - Slovenia & Switzerland
- Forum Standing Committee Meeting. June 2004 - Germany
- Forum Standing Committee Meetings. June 2005 and March 2006 - Hungary
- Forum V - Hungary
- Teleconferences (Forum Standing Committee and Working Groups):
2004 - 2006 Canada.

Translation (French) FSC Thought Starter document for SAICM PrepCom3 - Canada.

INFOCAP

- Steering Group, Chair - Germany.
- Lead Sponsors - EC/ECB, UNITAR
- Collaborating Partner - OECD

Annex 2

STATEMENT OF ADMINISTRATIVE AND FINANCIAL ARRANGEMENTS RELATING TO THE PROVISION OF THE SECRETARIAT FOR THE INTERGOVERNMENTAL FORUM ON CHEMICAL SAFETY AT THE HEADQUARTERS OF THE WORLD HEALTH ORGANIZATION (WHO)

Extension of arrangement

1. Purpose

1.1 The purpose of this Statement is to explain the administrative and financial arrangements relating to the provision of secretariat services to the Intergovernmental Forum on Chemical Safety (henceforth called "Forum") at the Headquarters of the World Health Organization (WHO) which has been hosted by WHO since 1994.

2. Staff Arrangements

2.1 WHO will provide such staff, both at the professional and general service levels, as requested by the Forum and covered by sufficient financial resources in the Forum Trust Fund, to act as Secretariat ("the Secretariat") for the Forum. All staff of the Secretariat will be WHO officials and, as such, subject to the WHO Staff Regulations and Rules. The Secretariat will be subject to the administrative supervision of the Director-General.

2.2 Appropriate arrangements may also be made for the secondment or loan of staff, to be assigned to work with the Secretariat.

2.3 Except as otherwise provided below, all costs incurred in connection with the provision of such staff to provide secretariat services to the Forum, including the cost of all duty travel, shall be charged to the Forum Trust Fund.

2.4 The Director-General will designate an Executive Secretary in consultation with the Officers of the Forum. The Executive Secretary will assign duties to the staff and evaluate their performance in accordance with WHO rules and regulations.

3. Accommodation

3.1 WHO will provide, without charge, office space in accordance with its standards, for up to six persons. Any additional office space would have to be charged to the Trust Fund established for the Forum (see paragraph 7), at the rate applicable at the time and subject to availability.

3.2 Subject to availability, and on adequate notice, conference accommodation will be provided free-of-charge by WHO upon request of the Executive Secretary of the Forum in accordance with existing procedures. The servicing of meetings (conference staff, interpreters, etc.) can be arranged by WHO and will be charged to the Forum Trust Fund.

3.3 Storage space will be provided within WHO insofar as reasonably possible.

4. Services

4.1 The heating, lighting and cleaning of the aforementioned offices will be provided free-of-charge.

4.2 Direct dial telephone lines will be provided and the Forum Trust Fund will be billed for their use, as well as for the use of all other communication facilities (e.g. postage, telegrams, telex, facsimile, electronic mail, etc.).

4.3 Any Mainframe computing services required by the Secretariat will be provided in accordance with existing procedures, and charged to the Forum Trust Fund.

4.4 Document reproduction services (photocopying and printing) will be provided by WHO in accordance with existing procedures, and charged to the Forum Trust Fund. The Executive Secretary may opt to sub-contract the printing and publications of documents outside WHO at his/her discretion.

5. Supplies

5.1 Basic furniture such as desks, tables chairs, cupboards, will be provided free-of-charge for the aforementioned offices, subject to availability.

5.2 A flat rate of US\$1,200/year will be charged for standard office supplies.

5.3 Office equipment utilised by the Secretariat, such as typewriters, calculators, dictaphones, etc., will be provided by WHO against reimbursement, and the maintenance and repair of such equipment will be charged to the Forum Trust Fund.

5.4 The Executive Secretary will be authorized to decide on the Secretariat's requirements with respect to the acquisition or rental of capital assets such as computer equipment, subject to availability of accommodation and budgetary resources.

6. Consultants, etc

Any provision for accommodation, services and supplies required for short-term consultants, contractors and short-term staff required for the provision of the Secretariat services to the Forum shall be subject to prior mutual agreement.

7. Financial arrangements

7.1 A Trust Fund for the Forum, including the Secretariat, has been established by WHO. The Executive Secretary, in consultation with Financial Services, shall call forward, at the appropriate time and in advance, the contributions required to finance the WHO costs incurred on behalf of the Forum and the Secretariat through the Trust Fund. All activities of the Forum financed by the Trust Fund, including the Secretariat, will operate within a fully-funded, approved budget and an appropriate allotment will be issued to the Executive Secretary. A statement of income and expenditure and balance of funds held by WHO on behalf of the Forum will be provided by WHO as and when reasonably required, but in any event as at 31 December of each calendar year.

7.2 Interest earned on funds held by WHO on behalf of the Forum which exceed thresholds established in accordance with WHO financial policy, will be accredited to

the Trust Fund. Nevertheless, all activities financed from the Trust Fund will be subject to the Organization's standard programme support charge.

7.3 The Executive Secretary will be authorized to approve disbursements from the Trust Fund in accordance with WHO rules and regulations.

8. Terms of Arrangements

8.1 Except as otherwise specified, the administrative and financial arrangements may be modified at any time upon an Exchange of Letters between the Executive Director, General Management, WHO and the President of the Forum.

8.2 This statement of administration and financial arrangements may be terminated by WHO or by the President of the Forum subject to three months written notice.