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RESOURCE MANAGEMENT

(c) Budget considerations for 2014 and 2015

(d) Results-based budget: outline of budgetary implications for 2016-2017

1 In introducing document C 113/4(d) to the Council's present session, the Secretary-General referred to his preliminary budget outline for the Headquarters Capital Fund (HQCF) during the 2016-2017 biennium and, in particular, to the requirement for the overall replacement of the sound and simultaneous interpretation system in the Main Hall and in Committee Rooms 9 and 10, to be financed through the HQCF.

2 This project is currently scheduled for implementation in 2016, pending final definition of its content, cost, time frame and funding options, elements which the Secretary-General planned to submit to the Council at its 114th session, in the context of his final budget proposals for 2016-2017.

3 In his introduction, the Secretary-General further referred to a partial and temporary breakdown of the sound system during the recent ninety-fourth session of the Maritime Safety Committee. Although quickly restored, this incident has led him to conclude that, the project being a priority undertaking for the continued assurance of IMO's meetings' programme, it should be brought forward to 2015 for implementation and completion, if feasible, during the summer break, while noting that it may need to run into the summer break of 2016 with most of the expenditure being financially committed in 2015.

4 In order to do so, the Secretary-General seeks the Council's approval for an increase in the 2015 expenditure under the HQCF authorized by the Assembly in resolution A.1063(28), which stands at £950,000. As the project will entail at least £2 million, the Secretary-General seeks authority for an injection of that sum into the HQCF, without any increase in the assessments on Member States, from the underspends that would have been allocated to the project in 2016 in any case (£1 million), from further underspends that may be generated during the current biennium and by prioritizing the already planned expenditure under the HQCF budget for 2015, as shown in table 1 below.

Table 1
Revised budget proposal for the Headquarters Capital Fund
for the 2014-2015 biennium

HQCF	Approved Budget		Revised Budget		Biennial Total		Changes	
	2014	2015	2014	2015	Original	Revised	£'000	%
Building repair/refurbishment	100	100	100	2,100	200	2,200	2,000	1000.0%
Equipment/furniture/vehicles	30	30	30	20	60	50	-10	-16.7%
IT/IS and SAP	800	820	800	720	1,620	1,520	-100	-6.2%
Total	930	950	930	2,840	1,880	3,770	1,890	100.5%

5 With the Council's approval of the authority sought by the Secretary-General, he would accelerate initial work now being undertaken to finalize the project's elements, launch the tender process, and make physical preparations in the relevant meeting rooms. The Secretary-General would then report to C 114 on the project's status, financing and schedule of works, under the agenda item on budget prospects for 2015.

6 As a result of bringing the project forward to 2015 under the HQCF, corresponding aspects of the Secretary-General's budget outlines for the next biennium will need to be amended and this will be done through his final proposals on the results-based budget for 2016-2017, which the Council will also consider at its 114th session. By way of illustration, the main components to be changed, aside from some editing of text, are tables 11 and 13 of document C 113/4(d), as shown in the annex.

Action requested of the Council

7 The Council is invited to note the information provided in this document and, in particular:

- .1 endorse the Secretary-General's proposal to bring forward to 2015 the project to replace the sound and simultaneous interpretation system in the Main Hall and in Committee Rooms 9 and 10;
- .2 approve an increase in the 2015 expenditure under the HQCF authorized in resolution A.1063(28), from £950,000 to £2,840,000 as shown in table 1, through transfers of underspends in the Organization's other Funds and without increasing the assessment on Member States for 2015; and
- .3 note that the Secretary-General will submit a report to the 114th session of the Council on the project's status, financing and schedule of works.

ANNEX

**Proposed budget outline of the Organization's other Funds for the 2016-2017 biennium
(to replace table 11 of document C 113/4(d))**

Other Funds of the Organization	Approved(£'000)		Proposal		Biennial Totals		Biennial Changes	
	2014 (a)	2015 (b)	2016 (c)	2017 (d)	2014-15 (e=a+b)	2016-17 (f=c+d)	£'000 (g=f-e)	% (g/e)
Trading Fund	5,824	5,944	5,763	5,964	11,768	11,727	-41	-0.3%
Headquarters Capital Fund	930	2,840	950	990	3,770	1,940	-1,830	-48.5%
Termination Benefit Fund	844	997	1,019	1,103	1,841	2,122	281	15.3%
Training and Development Fund	136	141	115	120	277	235	-42	-15.2%
Technical Cooperation Fund	5,159	4,841	5,150	4,850	10,000	10,000	0	0.0%
Total	12,893	14,763	12,997	13,027	27,656	26,024	-1,632	-5.9%
Year-on-year changes	-2.0%	14.5%	-12.0%	0.2%				

**Proposed outline of budgets for the 2016-2017 biennium
(to replace table 13 of document C 113/4(d))**

All IMO Funds	Approved(£'000)		Proposal (£'000)		Biennial Totals		Biennial Changes	
	2014 (a)	2015 (b)	2016 (c)	2017 (d)	2014-15 (e=a+b)	2016-17 (f=c+d)	£'000 (g=f-e)	% (g/e)
Regular Budget (A)	31,686	32,618	32,618	33,154	64,304	65,772	1,468	2.3%
Other IMO Funds (B)	12,893	14,763	12,997	13,027	27,656	26,024	-1,632	-5.9%
Trading Fund	5,824	5,944	5,763	5,964	11,768	11,727	-41	-0.3%
Headquarters Capital Fund	930	2,840	950	990	3,770	1,940	-1,830	-48.5%
Termination Benefit Fund	844	997	1,019	1,103	1,841	2,122	281	15.3%
Training and Development Fund	136	141	115	120	277	235	-42	-15.2%
Technical Cooperation Fund	5,159	4,841	5,150	4,850	10,000	10,000	0	0.0%
Total (C=A+B)	44,579	47,381	45,615	46,181	91,960	91,796	-164	-0.2%
Year-on-year changes	-0.6%	6.3%	-3.7%	1.2%				
Member States assessment (D)	30,116	30,116	30,116	30,116	60,232	60,232	0	0.0%
Portion of assessment (E=D/C)	68%	64%	66%	65%	65%	66%		