



IMO

E

COUNCIL
90th session
Agenda item 18

C 90/18
16 April 2003
Original: ENGLISH

WORK PROGRAMME AND BUDGET FOR THE TWENTY-THIRD FINANCIAL PERIOD 2004-2005

Proposals by the Secretary-General

SUMMARY

Executive summary: This document sets out the Secretary-General's proposals for the Work Programme and Budget for the twenty-third financial period 2004-2005. The mission of the Organization is unique: providing a global framework of standards for ensuring the safety of passengers and seafarers and ships and their cargoes and for protecting the environment from pollution from ships. The tragic events of 11 September 2001 added a new direction to the Organization's work programme: implementing new regulatory measures designed to prevent acts of terrorism which threaten maritime security.

The proposed work programme for 2004-2005 reflects the Membership's aspirations for removing sub-standard shipping, for improving safety and environmental standards and for enhancing security at sea and in ports.

The Secretary-General's budget proposals reflect a careful and prudent assessment of the Organization's minimum resource requirements to achieve the work programme. Simply meeting the costs of the Organization's current 'core business' and on-going demands will require an increase in appropriation of 10.2% over the biennium period. This increase, broadly corresponding to Zero Real Growth (ZRG), reflects rising, unavoidable external costs, which are outside the Organization's control. However, new demands have to be addressed and fully financed to enable IMO to retain its pre-eminent global position. The Secretary-General has reviewed each of the new demands and where possible resources will be re-deployed. However, a modest additional real increase of 6% over the biennium in resources is unavoidable, in addition to the minimum "Zero Real Growth" increase of 10.2%.

In annual terms, the biennium increase of 16.2% represents an increase in appropriation of 9.3% in 2004 over 2003 and of 7.4% in 2005 over 2004.

Action to be taken: Paragraph 2, (i) to (ix) on pages i and ii.

Related documents:

For reasons of economy, this document is printed in a limited number. Delegates are kindly asked to bring their copies to meetings and not to request additional copies.

**WORK PROGRAMME AND BUDGET FOR THE
TWENTY-THIRD FINANCIAL PERIOD 2004-2005**

1 In accordance with Article 49 of the IMO Convention, the Secretary-General has the honour to submit herewith his proposals for the budget of the Organization for the twenty-third financial period 2004-2005, based on the proposed work programme for the Organization. In accordance with Article 54 of the Convention, the Council is invited to consider the Secretary-General's proposals and to submit them to the Assembly with its comments and recommendations.

2 The Secretary-General seeks:

- (i) approval of an appropriation for 2004-2005 of £49,050,500, comprising an appropriation of £23,649,900 for 2004 and an appropriation of £25,400,600 for 2005;
- (ii) agreement to the financing of the appropriations by assessments upon Member States of £21,595,300 for 2004 and £23,287,400 for 2005, after deducting:
 - direct and indirect costs to be recovered for publishing activities from the Printing Fund of £1,554,600 in 2004 and £1,613,200 in 2005;
 - miscellaneous income of £100,000 for 2004 and £100,000 for 2005;
 - reimbursement of support costs for administrative and technical backstopping of technical co-operation activities of £400,000 in 2004 and £400,000 in 2005;
- (iii) agreement to the number of meeting-weeks of 41;
- (iv) endorsement of the list of proposed posts for 2004-2005 as shown in annex 5;
- (v) endorsement of the list of budgeted posts for 2004-2005 as shown in annex 6;
- (vi) approval of the proposed budget for the Printing Fund as shown in Annex 8;

- (vii) approval of the transfer from the Printing Fund to the Technical Co-operation Fund of £700,000 in 2004 and £700,000 in 2005;
- (viii) approval of the transfer from the Printing Fund to the Headquarters Capital Fund of £250,000 in 2004 and £250,000 in 2005;
- (ix) approval of the transfer from the General Fund to the Training and Development Fund of £200,000 in 2004 and £200,000 in 2005.



9 April 2003

**W.A. O'NEIL
Secretary-General
International Maritime Organization**

CONTENTS

	Pages
PART 1: INTRODUCTION	
The challenges	1
Reform	1
Global dependency on merchant shipping.....	2
Security: The new challenge:.....	4
Establishing “compelling need”	4
Bulk carriers.....	4
Database Development	6
The chain of responsibility.....	6
The threat of regionalization.....	6
Flag States: Focusing on responsibility.....	7
Strategic direction.....	8
 BUDGETARY REQUIREMENTS	
Building for the future	8
Sustaining the Organization’s core programmes	8
The cost and programme changes.....	12
The case for a programme increase.....	12
Extending the Organization’s out-reach and capacity building.....	14
Expanding the Change Management Programme.....	14
Long-term financial stability.....	15
 PROGRAMME ALLOCATION	
The Major Programme.....	16
Analysis of programme changes	17
Major Programme 1: General Policy and Direction	18
Major Programme 2: Maritime Safety and Security.....	19
Major Programme 3: Marine Environment Protection	21
Pollution Prevention.....	21
GESAMP.....	22
Strengthening support to GESAMP.....	22

	Pages
Major Programme 4: Legal Affairs.....	23
Major Programme 5: Facilitation of Maritime Traffic.....	25
Major Programme 6: TC and Institutional Development	26
Major Programme 7: Conference Services	28
Major Programme 8: Administrative Services.....	30
Major Programme 9: External Relations and Information Services.....	32
Major Programme 10: IT and Office Automation Services.....	34
Major Programme 11: Publishing Service	36
Programme of Meetings.....	38
Conclusion	40

INFORMATION ANNEXES

Annex 1 COST AND PRICE FACTORS

1	Introduction	1
2	Rates of inflation and Average Earnings in United Kingdom Economy	1
3	Pound Sterling - US Dollar Exchange Rate	1
4	Meetings and travel.....	1
4.1	Meetings	1
4.2	Travel on official business.....	2
5	Personnel	
5.1	Professional and higher categories	2
5.1.1	Base/floor salaries	2
5.1.2	Post adjustment.....	2
5.1.3	Contribution to the United Nations Joint Staff Pension Fund.....	3
5.1.4	Dependency allowances	3
5.2	General Services Category	
5.2.1	Net Salaries.....	3
5.2.2	Contribution to UNJSPF	4
5.2.3	Dependency allowances	4
5.3	Common Staff Costs	
5.3.1	Education Grant.....	4

	Pages
5.3.2 Staff Insurance	
National Insurance.....	4
Medical Insurance	5
Accident Insurance	5
5.3.3 Home Leave.....	5
5.4 Representation Allowance	5
5.5 Staff training	5
6 General operating expenses	5
7 Other budgetary provisions	6
8 Miscellaneous income	6
9 Technical Co-operation support cost	7
Annex 2 Work programme and programmes budgets for the twenty-third financial period 2004-2005 biennium: Year 2004 Programme estimates	
Annex 3 Work programme and programme budgets for the twenty-third financial period 2004-2005 biennium: Year 2005 Programme estimates	
Annex 4 Work programme and programme budgets: 2004-2005 biennium over 2002-2003 biennium	
Annex 5 Staff establishment by Division: 2002-2003 and 2004-2005	
Annex 6 List of budgeted posts	
Annex 7 International Maritime Organization: Organizational Chart	
Annex 8 Printing and publication activity: Estimated revenue and expenditure from 2002 to 2005	

**PART 2: WORK PROGRAMME AND PROGRAMME BUDGET
2004 - 2005 BIENNIUM**

1	MAJOR PROGRAMME - GENERAL POLICY AND DIRECTION	1
1.1/1.2	Programme: Governance (Assembly and Council).....	2
1.3	Programme: Executive Office of the Secretary-General.....	3
1.4	Programme: Internal Oversight Services.....	4
2	MAJOR PROGRAMME - MARITIME SAFETY AND SECURITY	6
2.1	Programme: Direction and Management.....	8
2.2	Programme: Training and Human Element Matters.....	12
2.3	Programme: Stability, Load Lines and Fishing Vessels Safety	16
2.4	Programme: Ship Design and Equipment	20
2.5	Programme: Fire Protection	24
2.6	Programme: Radio Communications and Search and Rescue.....	27
2.7	Programme: Navigational Operations and Equipment.....	31
2.8	Programme: Bulk Liquid and Gases.....	35
2.9	Programme: Dry Cargoes and Containers.....	38
2.10	Programme: Technical Co-operation and Institutional Development: Implementation of Safety Programme.....	42
2.11	Maritime and Port Security.....	46
2.12	Flag and Port State Matters.....	49
2.13	Special Safety Initiatives.....	53
3	MAJOR PROGRAMME - MARINE ENVIRONMENT PROTECTION	56
3.1	Programme: Direction and Management.....	57
3.2	Programme: Pollution Prevention	58
3.3	Programme: Pollution Preparedness and Response (OPRC Convention and OPRC-HNS Protocol)	68
3.4	Programme: Management of Waste Disposal	75
3.5	Programme: Ballast Water Management.....	81
3.6	Programme: Co-operation with other UN Agencies on ocean governance including GESAMP.....	89
3.7	Programme: Technical Co-operation and Institutional Development: Implementation of Environmental Programme.....	94

	Pages
4 MAJOR PROGRAMME - LEGAL AFFAIRS	102
4.1 Programme: Direction and Management.....	103
4.2 Programme: Legal Affairs.....	104
4.3 Programme: Technical Co-operation and Institutional Development: Implementation of Maritime Legislation Programme.....	108
5 MAJOR PROGRAMME - FACILITATION OF MARITIME TRAFFIC (FAL).	
5.1 Programme: Direction and Management.....	109
5.2 Programme: Amendments to and Implementation of the FAL Convention.....	110
5.3 Programme: Technical Co-operation and Institutional Development: Implementation of FAL (Facilitation of International Maritime Traffic) Programme	112
5.4 Programme: Ship/port interface.....	114
6 MAJOR PROGRAMME – TECHNICAL CO-OPERATION AND INSTITUTIONAL DEVELOPMENT	116
6.1 Programme: Direction and Management.....	117
6.2 Programme: Regional Africa.....	117
6.3 Programme: Regional Arab and Francophone Africa	123
6.4 Programme: Regional Asia and Pacific.....	128
6.5 Programme: Regional CIS/Eastern Europe.....	132
6.6 Programme: Regional Latin America and Caribbean.....	135
6.7 Programme: GLOBAL.....	140
6.8 Programme: Implementation.....	143
6.9 Programme and performance management.....	147
7 MAJOR PROGRAMME - CONFERENCE SERVICES	152
7.1 Programme: Direction and Management.....	153
7.2 Programme: Translation Services.....	154
7.3 Programme: Word Processing Services.....	157
7.4 Programme: Conference Services.....	159
7.5 Programme: Document Services.....	161

	Pages
8 MAJOR PROGRAMME - ADMINISTRATIVE SERVICES	163
8.1 Programme: Direction and Management.....	164
8.2 Programme: Financial Services.....	165
8.3 Programme: Human Resource Management Services	171
8.4 Programme: Office of General Services.....	178
8.5 Programme: Management Accounting Services	184
9 MAJOR PROGRAMME - EXTERNAL RELATIONS AND INFORMATION SERVICES	188
9.1 Programme: Direction and Management.....	189
9.2 Programme: External Relations.....	190
9.3 Programme: Information Services.....	193
10 MAJOR PROGRAMME – INFORMATION TECHNOLOGY.....	197
10.1 Programme: Management and Co-ordination	198
10.2 Programme: Information Systems and Knowledge Management.....	198
10.3 Programme: Software Development.....	199
10.4 Programme: IT Infrastructure.....	199
10.5 Programme: User Support.....	200
11 MAJOR PROGRAMME – PUBLISHING SERVICE.....	201
10.1 Programme: Management and Co-ordination	202
10.2 Programme: Marketing and Sales	203
10.3 Programme: Editorial Work.....	204
10.4 Programme: Production.....	205
10.5 Programme : The Printing Fund.....	206

INTRODUCTION: THE EXTERNALITIES

1 This document presents the Secretary-General's proposals for the Organization's Work Programme and Budget for the twenty-third financial period (biennium 2004-2005), in accordance with Article 49 of the Organization's Convention. Article 54 of the Convention requires the Council to consider the Secretary-General's budget estimate proposals and to submit them to the Assembly with its comments and recommendations.

1.1 The decision-making process for establishing the Organization's resource requirements, for defining programming priorities and for ensuring the effectiveness of the Work Programme, is therefore a partnership between the Executive Head and the Organization's governing bodies, designed to promote and ascertain the Organization's safety, security and environmental policy objectives.

2 The challenges: an overview

2.1 The Organization faces a number of challenges and opportunities over the coming biennium and subsequent years. The two most immediate and most pressing challenges relate to the implementation of the Organization's standards to enhance security on ships and in port areas to prevent and suppress terrorist attacks and to the question of tanker safety and environmental protection including 'places of refuge', following the **Prestige** incident in November 2002. There are other challenges, notably, enhancing large passenger ships and bulk carrier safety, combating piracy and armed robbery against ships and, in relation to marine environmental protection, agreeing and implementing a global regime for ballast water management. These issues have also to be addressed while, at the same time, it is essential that the Organization's pre-eminent position as the global regulator of safety, security and environmental standards for the world merchant fleet should be sustained.

3 Reform

3.1 The Organization has embarked upon a number of reform initiatives which will strengthen its ability to respond to current and new demands and also to establish priorities:

- The Council's initiatives concerning organizational reform of the Secretariat and the Secretary-General's Change Management Programme will lead to an increasingly innovative and effective Secretariat. The benefits of the organizational reforms will not materialise overnight. But goals and targets have been set by the Secretary-General and the Council is being kept informed of progress.
- The review by the Committee and Sub-Committee Chairmen of the Organization's technical bodies' working practices will lead to improved agenda management, prioritisation of their work programmes and eventually to enhanced efficiency and effectiveness.
- The Council's decision to establish the Organization's strategic direction and to define its objectives and goals for the medium and longer term in a Strategic Plan, has made progress. At its twenty-second session, the Assembly welcomed the initiative of the Council "to develop an open and transparent system of setting the broad policies of the Organization within the Council for approval by the Assembly." Accordingly, the Council, at its eighty-eighth session, established an ad hoc Working

Group to draft a strategic plan for the Organization for submission to the twenty-third Assembly in November 2003. The ad hoc Working Group submitted its first report to the Council at its November 2002 session; a further report will be submitted to the Council for its June 2003 session. In his Work Programme and Budget for 2002-2003, the Secretary-General noted the importance of a high level framework which could enable the Organization's governing bodies to define key objectives and then review their attainment (document C 86/10, paragraph 14.2). This initiative will provide a link between the Organization's strategic policy objectives and goals and their medium-term delivery by the work programme and its associated budget. Since the work of the ad hoc Working Group is taking place in parallel with the development of the Work Programme and Budget for 2004-2005, the linkage between the two will not be fully achieved until the subsequent biennium, although this document takes account, so far as possible, of progress made.

- The enlargement of the Council from 32 to 40 Members widens the Membership's participation in decision-making. The participation in November 2002 of the new Members elected in November 2001 at the twenty-second Assembly, gave welcome expression to the commitment of the Assembly, the Council and the Secretary-General to widening the inclusiveness of the Organization's Membership in decision-making. The Membership of IMO today stands at 162 Members and 3 Associate Members, compared with 133 and 2 respectively in 1990.

4 Global dependency on merchant shipping

4.1 In an increasing 'globalized' world, merchant shipping remains the single most important mode of international transport. Over 95% of world trade is transported by sea. The dependency of the global economy on the maritime sector and the importance of the availability of shipping services to the commerce of the world and on open and competitive markets is recognized in Article 1 of the Organization's Convention.

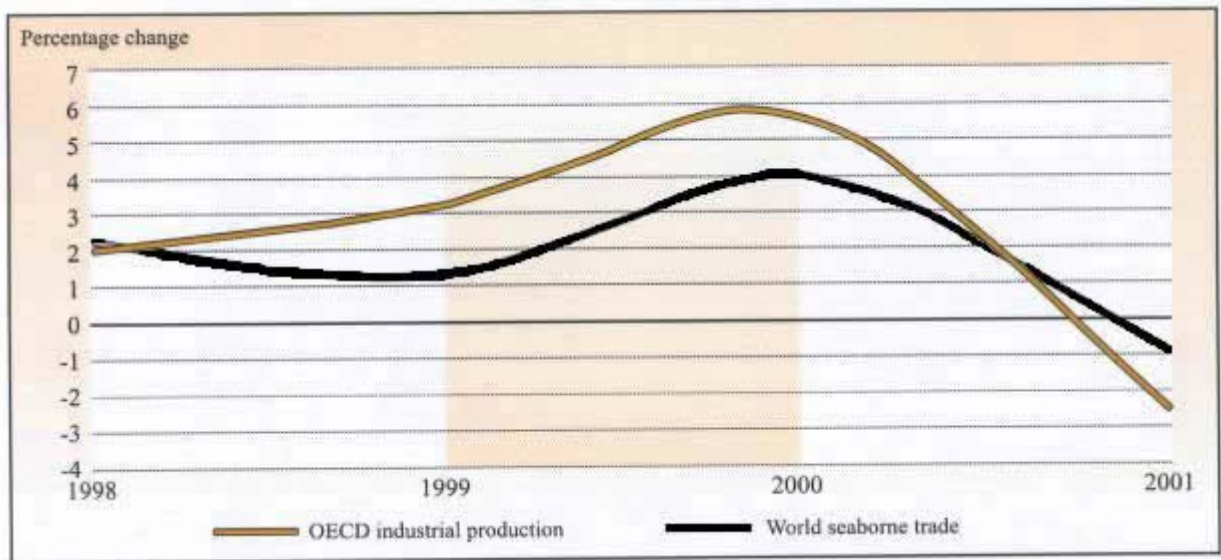
4.2 Demand for shipping services is driven by global economic activity. During 2001, the growth of world output fell from the previous 3.8% in 2000, to 1.3%; almost all regions of the world experienced an economic slow-down¹.

4.3 Following fifteen years of consistent growth, world seaborne trade remained in 2001 at the previous year's level. Fig. 1 shows the annual change in OECD production and world seaborne trade. Within this overall pattern, world shipment of tanker cargoes grew slightly (0.6%); however, crude oil trade flows will be affected by the influx of crude oil from the Caspian Sea and Central Asia and by developments in the movement of oil by pipeline.

¹ UNCTAD: Review of Maritime Transport 2002

Fig. 1

Annual change in OECD industrial production and world seaborne trade, 1998-2001



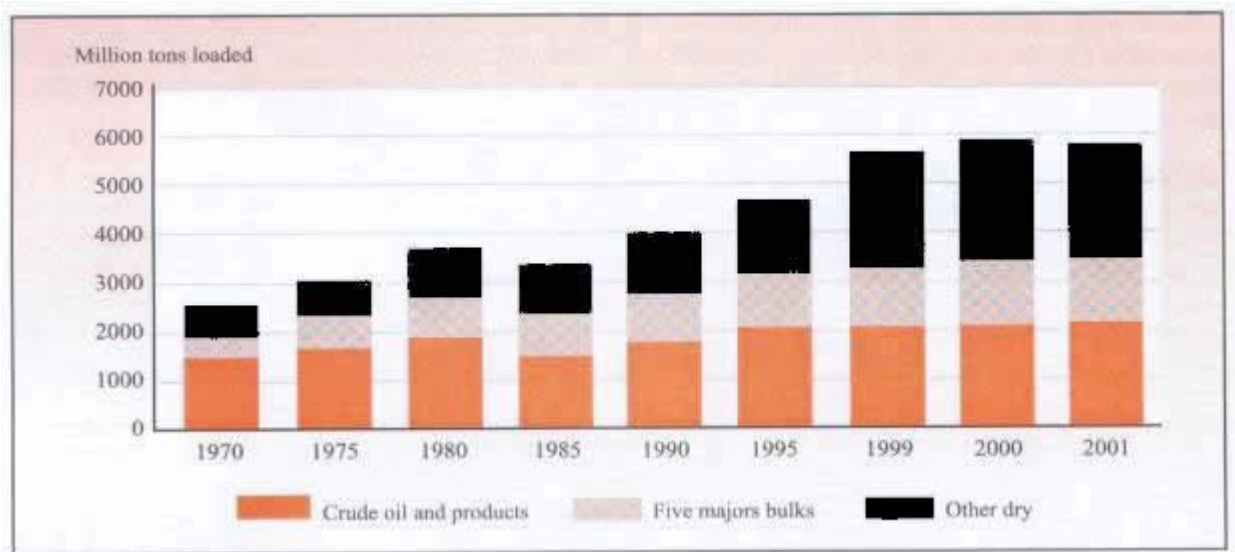
Source: OECD (2001), *Main Economic Indicators*, April.

In the dry cargo sector, shipments decreased by 1.9%, although this trend conceals different growth patterns for the different dry bulk trades (for example, coal shipments increased and iron ore shipments decreased).

4.4 Fig. 2 displays the volume of international sea-borne trade for selected years.

Fig. 2

International seaborne trade for selected years



Source: *Review of Maritime Transport*, various issues.

4.5 The demands for shipping services measured in ton-miles show a similar pattern, although world sea-borne trade measured on this base showed a slightly larger decline than world trade in volume terms alone. This difference indicates a small reduction in average distances of world seaborne cargoes.

4.6 Nonetheless, the world merchant fleet expanded to 825.6 dwt at the end of 2001, a 2% increase.

4.7 Oil tankers and bulk carriers (as Fig. 2 shows) together transport approximately two-thirds of seaborne trade. Improving the safety record of these types of ship must remain, therefore, a key Organizational objective.

5 Security: The new challenge

5.1 The tragic events of 11 September 2001 exposed the vulnerability of the transport sector to terrorist attacks and raised questions as to the preparedness of the maritime sector to prevent and suppress attacks directed against ships and port areas.

5.2 The Organization responded comprehensively and swiftly to the “compelling need” for new measures to prevent acts of terrorism which threaten the security of passengers, crews and the safety of ships at sea and in ports.

5.3 A wholly new security regime, addressing the entire maritime safety chain and distribution systems, was developed by the Maritime Safety Committee during 2002. The resulting provisions were subsequently adopted in December 2002 by a SOLAS Contracting Governments’ Diplomatic Conference on Maritime Security for formal entry into force on 1 July 2004.

5.4 These measures form part of a new Chapter to the SOLAS Convention and are supplemented by a new International Ship and Port Facility Security Code. The Organization’s imperative is now to ensure wide and effective implementation of new requirements and see that progress is made on revising seafarers’ identity cards (in co-operation with ILO); measures which strengthen security in the multi-modal transport of containers (in co-operation with WCO); and developing comprehensive port security requirements, etc.

5.5 Further important work has to be undertaken by the Organization in the next biennium; making progress in the implementation of the revised STCW Convention and further developing training guidance; reviewing the procedures for port State control; dealing with ships’ routing measures and proposals for particularly sensitive sea areas; performance standards for shipboard radiocommunication and navigational equipment; fire protection matters; and promoting the global SAR plan. In summary, the Organization’s work programme has a new and challenging substantive focus and the need to further strengthen the Secretariat in the vital area for world trade served by the Organization should be kept under review.

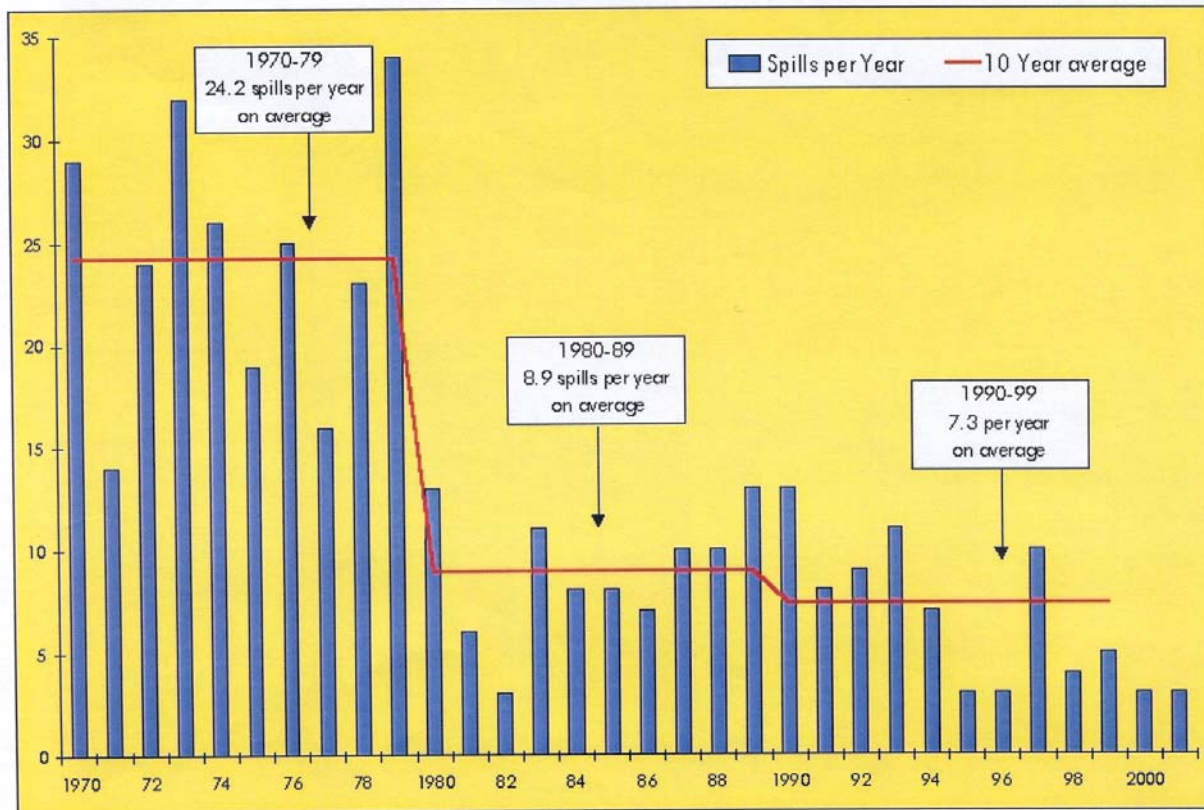
6 Establishing “compelling need”

6.1 In his Work Programme and Budget for the 2002-2003 biennium, the Secretary-General noted that the starting point for any legislative action to enhance safety and environmental protection is documented, transparent and publicly available accident reports. This premise underlines Assembly resolution A.500(XII) which provides that a compelling need should be established for new legislation. In this vein, the *Ad Hoc* Working Group on the Organization’s

Strategic Plan has noted (document C 89/12/Add.1) in its synthesis of trends, developments and challenges, a “lack of transparency in access to data and non-reliance on data” and “the need to ensure that the Organization’s legislative framework is developed, on a sound basis, and is proportionate to the actual need, is capable of review and timely amendment and of effective implementation in the interest of all Member States”.

6.2 The question is often posed “Is the safety and environmental record of the shipping industry acceptable?” The sinking of the **Prestige** and the spill of 20.5 million gallons of heavy fuel has again focused the attention of the public on the safety record of the tanker industry and on the issue of places of refuge. However, whilst statistics have to be used with care, it should be noted that the incidence of large spills is relatively low; a very few large spills account for a high percentage of the oil spilt. Nevertheless, it is generally acknowledged that oil spills from shipping have decreased significantly over the last 30 years.² The decline in the number of oil spills and in the amount spilled, is illustrated in Fig 3³.

Fig. 3
Numbers of spills over 70 tonnes



7 Bulk carriers

7.1 Bulk carriers transport about one-third of the world’s exports and imports, shipping raw materials, mainly coal and ore, and commodities such as grain, minerals and timber. Their safety record, in spite of improvements made during the last decade, continues to give cause for concern. Sadly, the loss of seafarers serving on bulk carriers often goes unnoticed by the public at large. The Organization has made important strides in increasing the safety of bulk carriers through a series of measures which were introduced in 1999, both in toughening the construction

² US Department of Interior, Mineral Management Service, September 2002.

³ ITOPIF – 2002 Statistics.

requirements for these ships and in improving the on-board intelligence systems to detect water ingress. Following a comprehensive Formal Safety Assessment (FSA) study conducted in 2002, the Maritime Safety Committee has embarked on a programme of work which will further enhance bulk carrier safety, including a future requirement for double-skin construction for all new bulk carriers over 150grt. Subject to the reservations expressed below, accident data suggest that there has been a reduction in bulk carrier accident levels; the loss rate⁴ per 1,000 ships in 2001 for the dry bulk sector was 1.8 compared with a range of 3.0 to 5.7 for the period 1996 to 2001. However, these statistics have to be noted alongside the loss of some 118 seafarers' lives in 2001.

8 Database development

8.1 The absence of recognized benchmarks for evaluating the long-term global impact on accident levels of the Organization's legislative provisions has long been noted. The Council *Ad Hoc* Working Group's work on establishing performance criteria for each of the proposed strategic directions for the Organization's Strategic Plan will be a significant step forward. It will entail, however, the development of globally-relevant safety and performance databases. Much statistical material could be drawn from external sources; the Organization also receives extensive data from a variety of interests. The Secretary-General has therefore made provisions in the Work Programme and Budget for an in-house data development project to support the establishment of safety and environmental benchmarks which would be formulated within the framework of the MSC and MEPC work programme. This initiative would be managed within the Maritime Safety and Security Programme and data linkage supported in-house by the Organization's IT support services.

9 The chain of responsibility

9.1 The globalization of the supply of shipping services over recent decades has led to an increasingly complex pattern of ownership and of operation, of management and of control of ships and of shipping companies. The chain of responsibility for ship operation, and hence for an accident, can be unclear. An OECD study, undertaken in 1998, demonstrated that unscrupulous operators were able to take advantage of apparently loose national legislation and enforcement practices and operate sub-standard ships, and in doing so, increase the level of risks of accidents. The Organization has taken the lead in legislating for a safety culture which would inform the way in which ships are operated, by establishing international standards for safety and for pollution prevention, which require safety management systems at every level of the shipping companies' operations. The International Safety Management (ISM) Code, which defines the legislative obligations on industry operators and managers, reached its full implementation status in July 2002.

The threat of regionalization

9.2 The sinking of the **Prestige** in 2002, following that of the **Erika** in 1999, has led the European Union to propose a package of new safety and environmental protection measures.

9.3 The Secretary-General fully understands the sense of frustration and anger which is felt by local communities affected by an oil spill. He also understands the general concerns of the community at large for the adoption of new and tougher action. With that concern in mind, the Secretary-General has personally urged the Presidency of the Council of Transport Ministers of the European Union (EU) to bring its case for toughening the current safety and environmental

⁴ Lloyd's Register; Fairplay: 2001 World Casualty Statistics
I:\COUNCIL\90\18-PART 1.DOC

protection standards, including the accelerated phasing-out of single hull tankers, to IMO. He is therefore very pleased by the EU response which acknowledges the primacy of the Organization.

9.4 The case for higher standards of safety and environmental protection is of global concern; pollution has no respect for national or regional boundaries, and concern for the safety of seafarers is the responsibility of everyone. The Council would no doubt agree that if the evidence shows that the safety net has failed in any area of safety or environmental concern, it would be in the public interest for the MSC and MEPC to act as expeditiously as possible and dissolve the complaint that IMO will do “too little, too late”.

9.5 It is apparent that the maintenance of the traditional open market shipping policies, which have fostered the globalization of the supply of shipping services and stimulated world trade, will be challenged if safety performance continues to slip and environmental pollution increases, and public confidence in the industry is further undermined.

9.6 A consequence of unilateral or regional action would be to fracture the global character of shipping and of IMO and create different tiers of safety or environmental protection. Unilateralism would be detrimental to an industry as international as shipping and would lead, inevitably, to a situation in which different classes of ship could be restricted, geographically, to selective trading areas; thus, older tonnage would be forced into other trades (where standards may be lower) and create different tiers of safety standards. The term “double standard” could then have real meaning. By their nature, regional solutions also represent a potential barrier and distortion to trade.

Flag States: focussing on responsibility

9.7 The primary oversight responsibility in the safety process lies with the flag State. The Flag State Implementation Sub-Committee has recognized the importance of establishing adequate mechanisms which will help Member States to fulfil their implementation responsibilities. Member States have been invited to participate in a scheme of self-assessment, on a voluntary basis. This process is designed to help individual Administrations, particularly those from developing countries, to identify where the Organization might provide advice on strengthening their administrative or legal processes by providing technical assistance through the Integrated Technical Co-operation Programme (ITCP).

9.8 The importance of the role of flag States in enhancing safety, security and environmental protection standards has been further underlined by the decision of the Council in June 2002, to approve, in principle, the concept for an IMO Model Audit Scheme, to be implemented on a voluntary basis. A joint MSC/MEPC/TCC Working Group will meet in mid 2003 to establish a draft framework for such a scheme.

9.9 The evident central feature of a Model Audit Scheme is that it would entail a formal audit of a flag State’s performance against its international obligations as a treaty party. A substantial delegation of authority is allowed by flag States to pass to “recognized Organizations” (ROs), very often being Classification Societies, and a position will have to be formed on the role which the Organization itself might take in an Audit scheme and, by extension, to the audit of ROs. The resource implications have yet to be established and would depend on the form and scope of the audit arrangements. However, the Secretary-General would recommend that, given this prospective significant new role which the Council has approved in principle, the Council similarly recognizes that some adjustment in resources will be necessary. Accordingly, the Secretary-General has allowed 24 man-months in the Maritime Safety and Security Programme for the 2004-2005 biennium.

9.10 The Secretary-General, being conscious that a more general debate is unfolding in other fora about sub-standard shipping, is very concerned that the Council's natural focus on the budgetary aspects of the work programme also has equally in view the rising expectations of regulators, of the industry and of the public, that IMO will deliver.

10 Strategic direction

10.1 In reviewing his resource proposals for 2004-2005, the Secretary-General has taken into account the progress made by the Council Ad Hoc Working Group on the Organization's Strategic Plan and, in particular, the Strategic Directions which the Working Group identified. If the Council was to decide that convergence between the main elements of the Strategic Plan and the Work Programme and Budget should be substantially achieved for the 2006-2007 biennium, it will be important for the planned replacement accounting, budgeting and resource management information system to be implemented in the biennium 2004-2005 with the necessary functionality and flexibility. These requirements will enable the outputs from the Work Programme and Budget to be capable of progressive linkage to the reporting cycle for the Strategic Plan.

BUDGETARY REQUIREMENTS

11 Building for the future

11.1 The Secretary-General's approach to establishing his proposals on the Organization's financial requirements over the biennium 2004-2005, has been influenced by four main goals:

- (i) sustaining the Organization's core safety, security and environmental activities;
- (ii) extending the Organization's out-reach and its capacity to help developing countries;
- (iii) expanding the Change Management Programme to a new generation; and
- (iv) building long-term financial stability.

11.2 The following paragraphs set out the Secretary-General's recommended strategy for achieving these goals.

12 Sustaining the Organization's core programmes

12.1 The Organization's primary objective is to provide an intergovernmental forum at which global agreement can be reached concerning new safety (and since 11 September 2001, security) arrangements and environmental policy initiatives and to foster their effective implementation. This document has noted the powerful economic and political reasons for sustaining the Organization's pre-eminent global position. The Organization's financial baseline, therefore, has to enable the Organization to maintain this status and to achieve its core objectives. In consultation with the Senior Management Committee, the Secretary-General has approached the budget setting for 2004-2005 on the basis of Zero-Based Budgeting (ZBB). This is a departure from prior budgeting rounds. The starting point in ZBB is to define the intended programme results and to assess the resources needed to achieve these. Under a regime of Zero Real Growth (ZRG), the tendency is for a budget to be driven by the existing complement.

12.2 Following detailed consultations with all Directors on the attainment of the four goals at paragraph 11.1 above, the Secretary-General has concluded that the Organization's best interests will be served in 2004-2005 by the adoption of a budget, which provides for a modest real increase in Programme expenditure. The case for the increased provision reflecting a zero-based

budget approach (ZBB) is set out in the following paragraphs. Table 2 sets out the proposed appropriation for 2004-2005 on a ZBB approach and compares these requirements with an appropriation level based on Zero Real Growth (ZRG). ZRG, in summary, represents a re-costing of the Organization's complement, as approved by the Assembly at its twenty-second session, with appropriate adjustments for forecast pay and price increases, in accordance with the methodology of the International Civil Service (ICSC). In establishing his budgetary baseline for 2004-2005, the Secretary-General has therefore reintroduced financial provision for funding five approved posts (equivalent to 60 man-months in each year of the biennium) whose costs were excluded from the appropriation for the 2002-2003 biennium, in order to reduce the budgetary impact on Member States of the transitional effects of moving from six years of Zero Nominal Growth to Zero Real Growth. The technique of 'post management' had been used during the period of ZNG to keep expenditure within the approved cash limits. It entailed not filling a number of approved posts as they became vacant for variable periods, thereby reducing the Organization's pay bill. However, the Council has already accepted that a policy of sustained vacancy management has capricious effects, leading to inefficiencies and adversely and disproportionately impacting on Programme delivery. It also burdens the immediate managers and staff who share the workload so far as possible. Nonetheless, the time lags in the recruitment process are such that some posts which become vacant will not be filled immediately. Accordingly, the appropriations make appropriate allowance for this general lapse factor.

12.3 The Secretary-General recognises that Member States continue to face public expenditure limitations. With these concerns in mind, he would propose to defer the filling of the new positions until the beginning of 2005 and has cast the appropriation for the biennium accordingly. Thus, the Secretary-General has set the proposed level of appropriation for the first year of the biennium 2004 on the basis of Zero Real Growth (as defined above). The full biennium effects of the proposed new positions are therefore deferred until 2006-2007.

12.4 So far as 'post management' is concerned, following the External Audit report for 2000, the Council re-affirmed the Secretary-General's need to have the management flexibility to prioritise the filling of complemented posts within the approved appropriation.

Table 1
Appropriations and assessments
Comparison between Zero Real Growth and Zero Base Budget Growth

	A	B	B as % change to A	C	C as % change to A
	2002-2003	2004-2005	%	2004-2005	%
	ZRG			ZBB	
	Approved	Estimates		Proposal	
	£	£		£	
Appropriations	42,217,100	46,537,300	10.2%	49,050,500	16.2%
Less:					
Direct/Indirect costs recovered from the PF	(1,622,800)	(3,167,800)	95.2%	(3,167,800)	95.2%
Reimbursement of TC support costs	(674,200)	(800,000)	18.7%	(800,000)	18.7%
Miscellaneous income	(400,000)	(200,000)	-50.0%	(200,000)	-50.0%
Transfer from accumulated reserves	(389,000)		-100.00%		-100.0%
Transfer from the Printing Fund	(800,000)		-100.00%		-100.0%
Net to be assessed	38,331,100	42,369,500	10.5%	44,882,700	17.1%

12.5 The annual increases in appropriation and assessment levels for 2004-2005 are shown in Table 3.

Table 2

**APPROPRIATIONS AND ASSESSMENT
YEAR-ON-YEAR CHANGES**

	A	B	B as % change to A	C	C as % change to B
	2003 Appropriat ion £	2004 Appropriat ion £	%	2005 Appropriat ion £	%
Total appropriations	21,637,500	23,649,900	9.3	25,400,600	7.4
Less:					
Direct/indirect costs reimbursable from the Printing Fund	(819,900)	(1,554,600)	89.6	(1,613,200)	3.8
Support cost income	(400,000)	(400,000)	-	(400,000)	-
Miscellaneous income	(200,000)	(100,000)	(50.0)	(100,000)	-
Transfer from the Printing Fund	(400,000)	-	(100.0)	-	-
Transfer from the General Fund accumulated reserves	(389,000)	-	(100.0)	-	-
Net to be assessed	19,428,600	21,595,300	11.2	23,287,400	7.8

The cost and programme changes

12.6 The table below provides an analysis of the biennium cost changes and distinguishes between the pay and price adjustment and programme i.e. “real” increases.

Table 3

Biennium Analysis of Costs Changes
2004-2005 compared with 2002-2003

Cost elements	Increases	%
1 Increases		
Cost of living adjustments for personnel	1,938,400	4.6% Salaries, benefits and allowances
Statutory increments	470,600	1.1% Incremental salaries
Restore staff complement	1,488,800	3.5% Un-programmed posts 2002-2003 including Maritime Security
Exchange rate change	(625,000)	-1.5% US\$ against £ (from \$1.41 to \$1.60)
Meetings	246,900	0.6% 7% and 5% overall increase in 2004 and 2005 respectively
General price increases	800,500	1.9% Goods and services
ZRG on present approved resource	<u>4,320,200</u>	<u>10.2%</u>
2 Programme change		
Capital investment programme	600,000	1.4% Major building repairs/office automation, etc.
Estimated increase in staff turn-over	(128,000)	-0.3% over 2002-2003 biennium
Technical functions		
Strengthen technical competence	823,700	2.0% 7 Profs & 6 GS staff
Increase in overtime, temporary assistance, travel ar	402,300	1.0% Based on the out-turn level in 2003
Support functions		
Strengthen support functions	410,500	1.0% 2 Profs & 6 GS staff
Increase in overtime, temporary assistance, travel ar	404,700	1.0% Based on the out-turn level in 2003
	<u>2,513,200</u>	<u>6.0%</u>
Zero Base Budget Growth	<u>6,833,400</u>	<u>16.2%</u>

12.7 The first part of Table 3 shows that simply operating with the Organization’s approved complement and taking account of unavoidable external pay and price increases, including UN Common System statutory allowances, would require an 10.2% increase in appropriation for the biennium.

The case for a programme increase

12.8 The introductory paragraphs to this document have given examples of new demands. These cannot be absorbed from the existing complement. The latter has remained broadly unchanged for the last decade. The dilemma which faces the Membership and the management

is that whilst new challenges and demands arise, there is not a corresponding closure of prior demands. Over the last two decades, the Organization’s Membership has increased from 122 to 162; this expansion has brought a larger constituency of Membership interests in obtaining technical co-operation and assistance in implementing the Organization’s Conventions and other instruments.

12.9 At the same time, the Organization’s “core business” has expanded in terms of safety and environmental policy expectations, whether in respect of passenger ships and ferries, bulk carriers or tankers. This trend is reflected in the volume of documentation which has increased by more than 20% in the last two years. Additionally, the Organization has assumed certain quasi-executive responsibilities (notably in respect of the STCW Convention). And most recently IMO demonstrated global leadership on maritime security. Finally, the Organization’s working procedures are being radically transformed from paper-based to information networking and to web-enabled information processing.

12.10 This continual re-positioning of IMO has largely been achieved from within the existing complement (subject to the qualification that ZNG required a constant high vacancy level) by the transfer of posts and re-adjustments of responsibilities. However, the Programme demands of the Membership now require some strengthening of resources in some of the Major Programmes. These are set out in the respective Programme narratives. In summary, the Programme increases comprise:

Programme increases

Technical strengthening

<p><i>Maritime safety and security</i> 1.0%</p>	<ul style="list-style-type: none"> ➤ consolidation of Senior Technical Officer post ➤ an additional post for the Technology Sub-Section ➤ building a Safety Audit competence
<p><i>Environmental protection</i> 0.7%</p>	<ul style="list-style-type: none"> ➤ additional technical support for Pollution Prevention and for OPRC/HNC Protocol Implementation ➤ cost-sharing contribution for prospective independent GESAMP office
<p><i>Technical Co-operation</i> 1.1%</p>	<ul style="list-style-type: none"> ➤ Strengthen TC programme management capacity and consolidation of Security Implementation Officer, funded in 2002-2003 from accumulated reserve

Support functions

<i>Conference Services</i> 0.8%	<ul style="list-style-type: none"> ➤ strengthening the translation capacity to facilitate translation of key instruments into Arabic ➤ provide enhanced conference registration capability to meet upgraded security requirements
<i>Information Technology</i> 0.7%	<ul style="list-style-type: none"> ➤ strengthen IT to enable the Organization to respond to new database requirements; to develop web-enabled processes to maintain an expanding infrastructure and sustain a 'business continuity' plan

13 Extending the Organization's out-reach and capacity building

13.1 It is universally accepted that the effectiveness of the Organization's policies depends on the full acceptance by Member States of the Organization's instruments and their sustained implementation. The Organization's Integrated Technical Co-operation Programme (ITCP) is designed to provide this linkage.

13.2 Although the Organization's regular budget does not directly fund the ITCP, there are important resource and programme connections between the different Funds of the Organization. The planned expansion of the Organization's successful regional presence will be financed from the reserves of the Technical Co-operation Fund. This Fund carries an increasing share of the Organization's TC Programme with the virtual demise of funding by UNDP. Its principal source of funding has been the Printing Fund.

13.3 The forecasts of the surplus balances of the Printing Fund as currently seen and reflected in Annex 9, provide for transfers of £700,000 in each year of the biennium.

13.4 The planned expansion of the Organization's regional presence and the development of new partnerships with regional bodies will assist substantially in the delivery of the Organization's ITCP, and help reinforce the new technical co-operation delivery mechanism introduced by the Secretary-General within the framework of the Change Management Programme (CMP). These initiatives will entail some strengthening of the Organization's capacity at Programme Assistant level; these requirements are elaborated in Major Programme 6 – Technical Co-operation and Institutional Development.

14 Expanding the Change Management Programme

14.1 The three main components of the Secretary-General's Change Management Programme in 2002-2003 have been the introduction in the reform of the financial and budgeting processes and systems, including planning for a replacement system; the re-definition of Organizational

responsibilities for technical co-operation projects, designed to speed up the pace and quality of technical assistance programmes; and the introduction of a programme of Human Resource development, which builds on new work processes, on promoting accountability and developing new staff competencies.

14.2 In the next biennium, each of these will show results; through the replacement of a new financial and accounting system and the implementation of “best practices”; improved TC delivery, and through widened opportunities for all staff to participate and add value to their work by improving opportunities. The Secretary-General has previously noted that the age profile of IMO, in common with many public institutions, has reached the point when over 50% of the Organization’s senior staff will retire in the next five years. Planning for the next generation of technical staff and managers has therefore to include the development of the in-house management skills and competencies and to this end, the Secretary-General has provided, for 2004-2005, for a further transfer of £200,000 from the Organization’s accumulated reserves. At the same time, the Organization’s knowledge-base, which resides both with individuals and the Organization’s files and records, will be progressively built up through shared databases and integrated IT and information systems.

14.3 However, the Secretary-General considers it also essential to make a start in the next biennium in recruiting young professionals who can support senior professional staff, and who could spend two to three years in a number of divisional programmes to broaden their experience – in technical Committee work, or Technical Co-operation or Administration. The planned strengthening of the Organization’s technical Divisions will provide the opportunity to recruit new blood, possibly including graduates of the WMU or IMLI.

15 Long-term financial stability

15.1 The Organization’s financial health on a year-by-year analysis, is now much improved and the contribution (of 98% in 2002) levels are amongst the very best in the United Nation system. Moreover, the Council has in place machinery for keeping the Organization’s financial framework under review as directed by the Assembly. The Organization has also benefited in recent years, from ‘wind-fall’ refunds from the United Kingdom taxation authorities in respect of property taxes, which have added to the Organization’s accumulated reserves. The buoyant sales from the Printing Fund in the 1990’s led to the build-up of substantial reserves and have also enabled substantial transfers to the Organization’s Technical Co-operation Fund and to the Organization’s Headquarters Capital Fund. The Printing Fund now bears an increasing share of the costs of the Organization’s printing and publishing activities which are also borne by the regular budget. The status of the Technical Co-operation Fund and of the Integrated Technical Co-operation Programme is dealt with in document C 90/19(a). This document is therefore concerned immediately with the status of the Headquarters Capital Fund.

15.2 The Organization faces the prospect of rising levels of expenditure on the Headquarters Building as the property ages and maintenance costs increase. At the Council’s eighty-ninth session, the representative of the United Kingdom authorities indicated that an Options Review will be undertaken by external consultants to assess the Organization’s and the United Kingdom’s prospective exposure over the next 10-20 years in respect of the Organization’s Headquarters premises and to advise on the capital expenditure in prospect. A report will be made to the Council at its twenty-second extraordinary session of the consultants’ findings and recommendations

15.3 The Council has recognized the Secretary-General's concern that the Organization's Headquarters Capital Programme is seriously under-funded. The Council has also recognized that the Organization's core business is wholly reliant on sustained investment in IT and information systems, which is also funded from the Headquarters Capital Fund.

15.4 At this juncture there are a number of uncertainties surrounding the prospective demands on the Headquarters Capital Fund, including the funding of a replacement accounting and budgetary information system, which is to be the subject of separate Council consideration.

15.5 However, the Secretary-General will provide, as an addendum to this document, the range of prospective demands in 2004-2005 and the longer term on the Headquarters Capital Fund and a proposed investment Plan for 2004-2005, based on Programme objectives. At this juncture, however, the Secretary-General would note that his budget proposals introduce a line item in the regular budget appropriation for the financing of the Headquarters Capital Fund of £600,000 during the biennium. This would supplement a proposed transfer from the Printing Fund reserves of £500,000 during the biennium. This transfer would, however, require the Council's and Assembly's special approval since the Assembly has previously decided (A.873(20)) that the surplus funds of the Fund should be transferred to the Technical Co-operation Fund. At its last session, the Assembly modified its previous decision and transfers were additionally made to the Headquarters Capital Fund. The Secretary-General appreciates that the Membership's first call on the surpluses of the Fund should be for the technical co-operation programme, particularly against a background of declining donor funding. However, faced with the liabilities which continue to grow under the Headquarters Agreement and recognizing the Organization's basic investment needs for new technology and new systems, the choices are extremely difficult and will continue to remain so. It would be prudent, for the longer term, i.e. beyond the 2004-2005 biennium, for the Council to plan on the assumption of the regular budget bearing an increasing proportion of the Organization's Headquarters Capital Programme.

PROGRAMME ALLOCATION

16 The Major Programme

16.1 Table 4 below provides an analysis of the proposed allocation by Major Programme for 2004-2005, compared with the current biennium, 2002-2003. There are some general points to be noted:

- *the allocation and presentation of the appropriation and assessment is on a 'gross' basis, as noted by the Ad Hoc Working Group on Accounts and Audit and the Council, following the 2002 External Audit. This presentation displays all income, receipts and transfers as deductions from gross expenditure, to arrive at a net appropriation;*
- *a new budget line item (as noted above in paragraph 15.4) is introduced in respect of the Headquarters Capital Fund;*
- *the contribution and transfer from the Printing Fund to offset the direct costs of the Publishing Service is increased from 60% to 100% in accordance with Assembly resolution A 906(22);*
- *this transfer therefore supersedes the general transfer from the Printing Fund which stood at £800,000 in 2002-2003;*
- *the distributions **within** each of the Major Programmes is set out in Part 2 of this document, and sets out intended programme outputs and deliverables.*

Table 4

WORK PROGRAMME AND PROGRAMME BUDGETS
Cost changes 2004-2005 over 2002-2003

Major Programmes	Appropriation 2002-2003 £	Proposed 2004-2005 £	Change £	%
1 General policy and direction	1,537,900	1,814,600	276,700	18.0
2 Maritime Safety and Security	5,359,700	6,575,100	1,215,400	22.7
3 Marine Environment Protection	3,450,300	3,908,300	458,000	13.3
4 Legal Affairs	1,503,000	1,630,100	127,100	8.5
5 Facilitation of Maritime Traffic	402,100	381,700	(20,400)	(5.1)
6 Technical Co-operation and Institutional Development	2,444,400	3,128,000	683,600	28.0
7 Conference Services	10,271,700	11,154,700	883,000	8.6
8 Administrative Services	5,212,600	6,003,500	790,900	15.2
9 External Relations and Information Services	1,669,500	1,908,100	238,600	14.3
10 Information Technology	1,168,500	1,743,200	574,700	49.2
11 Publishing Services	1,955,800	2,289,100	333,300	17.0
Total estimated appropriation	34,975,500	40,536,400	5,560,900	15.9
Capital investment programme	-	600,000	600,000	100.0
General Operating Expenses and Headquarters Premises	7,513,600	8,314,100	800,500	10.7
Estimated staff turnover	(272,000)	(400,000)	(128,000)	47.1
Total proposed appropriation	42,217,100	49,050,500	6,833,400	16.2
Less:				
Indirect costs recovered for printing activities from the Printing Fund	(1,622,800)	(3,167,800)	(1,545,000)	95.2
Transfer from the Printing Fund	(800,000)		800,000	(100.0)
Reimbursement of Technical Co-operation support costs	(674,200)	(800,000)	(125,800)	18.7
Miscellaneous Income	(400,000)	(200,000)	200,000	(50.0)
Transfer from the accumulated reserves	(389,000)	-	389,000	(100.0)
Net to be Assessed	38,331,100	44,882,700	6,551,600	17.1

Analysis of programme changes

16.2 The following paragraphs summarize the resource requirements for each Major Programme, the cost changes and, where applicable, programme changes.

16.3 The Meetings Programme is set out in paragraphs 28.1 to 28.4.

17 Major Programme - General policy and direction

Table 5

Regular budget resource requirements

Major programme 1 - General Policy and Direction													Total
Year	Work month estimates			Direct Cost £								Sub-total	
	SG	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy			
					W/day	Costs				W/day	Costs		
2002	12.0	36.0	48.0	564,500	8	92,000	700		18,200			675,400	
2003	12.0	36.0	48.0	600,800	15	242,800	700		18,200	-	-	862,500	1,537,900
2004	12.0	48.0	48.0	665,300	10	114,600	2,000		35,000	-	-	816,900	
2005	12.0	48.0	48.0	676,500	16	284,200	2,000		35,000	-	-	997,700	1,814,600

17.1 The Secretary-General is assisted by the Assistant Secretary-General (whose costs are reflected in Major Programme 2), Head of the Executive Office of the Secretary-General, and the Internal Oversight Section.

17.2 The resource requirements for 2004-2005 under both the Executive Office and the Internal Oversight Section include a small increase in the provisions for travel and overtime consistent with the Secretary-General's representational responsibilities and the working needs of the Office of the Secretary-General. Following the External Auditor's recommendations concerning the role and contribution of the IOS in advising on general governance and value for money issues, a suggestion was made for the possible strengthening of the IOS. The Secretary-General has reviewed this matter and concludes that external consultants engaged for specific projects would achieve this objective most cost effectively. A General Service post kept vacant during the current biennium, as part of the transition to ZRG will be filled in 2004-2005 possibly by a Researcher, to support the widened IOS role.

17.3 Figure 4 and Table 6 below display the biennium analysis of the appropriation increases compare with 2002-2003.

Table 6

Cost and programme analysis

Major Programme 1 - General Policy and Direction

2002-2003 £
1,537,900

Cost increase	127,200	
Statutory increments	6,200	
Restore staff complement	68,000	
Meetings	64,000	
Exchange rate change	(24,900)	
	<u>240,500</u>	0.6%
ZRG 2004-2005	1,778,400	

Programme change

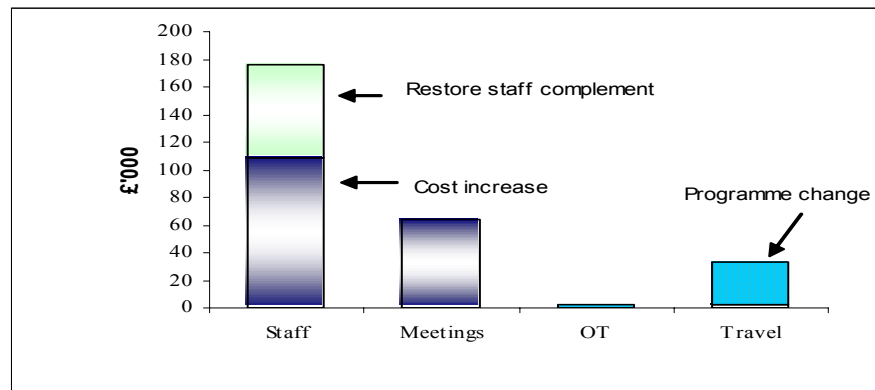
Personnel	0	
OT	2,600	
Temp	0	
Travel	33,600	
Consultancy	<u>0</u>	
	<u>36,200</u>	0.1%

ZBB 2004-2005 1,814,600

Salaries, benefits and allowances
Incremental salaries
GS 24 mm
7% and 5% overall increase in 2004-2005
13% depreciation in US\$ against £ (from \$1.41 to \$1.60)
Cost change
Minimum resource requirements
120 additional hours over 2002-2003 biennium
Additional travel plan
Total additional resource requirements

Figure 4

**Cost change analysis
Major Programme 1 - General policy and direction**



18 Major programme 2 - Maritime Safety and Security

18.1 The objectives of this major programme are to provide overall direction, management and co-ordination of programmes relating to maritime safety and security through the adoption of technical and other standards affecting ship design, equipment and inspections, navigational safety and operations, communications, training, cargo handling and flag State implementation. The work programme under this major programme also includes the provision of relevant technical assistance to Member States and the delivery of related technical co-operation programmes.

18.2 The programme structure for 2004 and 2005 has been revised to provide a clearer identification of divisional responsibilities in the delivery of cross-sectoral programmes. The major programme comprises 13 programmes, each of which is made up of a number of sub-programmes. Table 7 below sets out the resource requirements for 2004 and 2005 financed from the regular budget.

Table 7

Major Programme 2 – Maritime Safety and Security

Regular budget resource requirements

Major programme 2 - Maritime Safety and Security													Total
Year	Work month estimates			Direct Cost £								Sub-total	
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy			
					W/day	Costs				W/day	Costs		
2002	48.0	190.0	192.0	2,059,600	60	479,700	10,700	33,800	26,600	-	-	2,610,400	5,359,700
2003	48.0	190.0	192.0	2,252,600	52.5	425,000	11,300	35,200	25,200	-	-	2,749,300	
2004	48.0	199.5	178.5	2,452,200	60	538,800	32,200	33,400	73,700	-	-	3,130,300	6,575,100
2005	48.0	229.5	202.5	2,818,700	53	483,800	30,800	34,700	76,800	-	-	3,444,800	

18.3 The resource requirements for 2004 and 2005 include:

- the creation of an additional officer at P4 level under the Technology Section to redress the balance of the workload;
- two additional GS posts are also proposed;
- consolidation of the Senior Technical Officer in the MSD Navigational Safety and Maritime Security Section post in the regular budget;
- contingency provision for an initial capacity to build up organizational competencies in respect of the development and implementation of an IMO Model Audit Scheme (MAS). The proposals for the Scheme, so far, advocate audit of State obligations under the applicable Treaties. However, a proposal to include some form of audit of ROs has also been made and could possibly be included in MAS considering also the substantial delegation of authority passed to ROs by flag States.

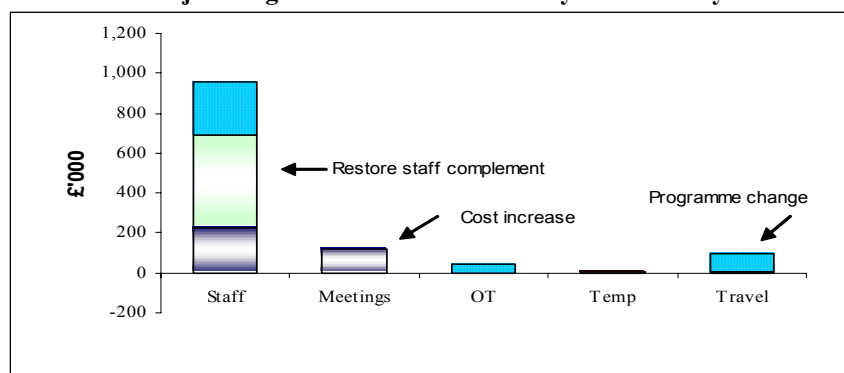
18.4 Figure 5 and Table 8 below display the biennium analysis of the appropriation increases compare with 2002-2003.

Table 8
Cost and programme analysis

Major Programme 2 - Maritime Safety and Security				
£				
2002-2003	5,359,700			
Cost increase	265,400			
Statutory increments	71,100			
Restore staff complement	461,300			
Meetings	117,900			
Exchange rate change	(108,300)			
	807,400	1.9%		
ZRG 2004-2005	6,167,100			
Programme change				
Personnel	269,200			
OT	41,000			
Temp	(900)			
Travel	98,700			
Consultancy	0			
	408,000	1.0%		
ZBB 2004-2005	6,575,100			
Additional posts proposed				
			P	GS
1/ Marine Technology	P4	1	2	
Model Audit scheme	P5	1	0	
Total posts		2	2	

Figure 5

Cost change analysis
Major Programme – Maritime Safety and Security



19 Major Programme 3 - Marine Environment Protection

19.1 The objective of this major programme is the protection of the marine environment. The major programme comprises seven programmes, each of which is made up of a number of sub-programmes.

19.2 The programme structure for 2004 and 2005 provides a clearer identification of responsibilities for the different programme objectives. Table 9 below sets out the regular budget resource requirements for the biennium 2004-2005.

Table 9

Major Programme – Marine Environment Protection

Regular budget resource requirements

Major programme 3 - Marine Environment Protection													Total
Year	Work month estimates			Direct Cost £								Sub-total	
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy			
					W/day	Costs				W/day	Costs		
2002	36.0	120.0	96.0	1,412,100	15	149,400	7,000	49,800	64,100	133	20,000	1,702,400	3,450,300
2003	36.0	120.0	96.0	1,446,800	15	161,100	7,000	48,900	64,100	133	20,000	1,747,900	
2004	36.0	120.0	96.0	1,482,500	20	228,500	12,500	20,500	99,000	205	45,000	1,888,000	3,908,300
2005	36.0	144.0	120.0	1,724,400	10	117,600	13,000	21,300	99,000	205	45,000	2,020,300	

Pollution Prevention

19.3 The Organization and its environmental programmes will face major challenges during the biennium 2004-2005, including:

- adoption of new MARPOL Annex I and Annex II;
- creation of new legal instruments on Ballast Water Management;
- entry into force of MARPOL Annex IV on prevention of pollution by sewage from ships;
- entry into force of MARPOL Annex VI on prevention of air pollution from ships;
- consideration on Particularly Sensitive Sear Areas; and
- other “new frontier” issues including ship-recycling issues.

19.4 The resource requirements for the biennium comprise:

- the creation of an additional officer at P3 level for the Sub-Division for Pollution Prevention;
- an additional GS post to support the Ballast Water Management Office.
- the creation of an additional officer at P4 level and an additional G4 post for the Sub-Division for Pollution Response and TC Co-ordination. This requirement recognizes the challenge of preparing technical guidelines and manuals for the entry into force and the implementation of the OPRC/HNS Protocol under the newly proposed Technical Group of MEPC.

GESAMP

- GESAMP plays a major role in advising the Organization on the evaluations of hazards from chemical substances, and its hazard profiles provide an important input into the regulatory work of the BLG and DSC. The costs of obtaining this external advice are currently limited to travel and subsistence costs for members of the GESAMP/EHS Working Group and £14,000 in fees per year for contracting a specialist to prepare the hazard profile dossiers for review. Although IMO has recognized the importance of this, it has only been possible to complete the re-evaluation of all substances and products of the IBC Code for the review of Annex II of MARPOL, through additional contributions from Member States and other sources. Given the global importance of this scientific work, the Secretary-General considers that it is not appropriate to depend on donor contributions to sustain this work. Accordingly, provision is included for external consultancy of £100,000 to support this work.

Strengthening support to GESAMP

- GESAMP is currently preparing its future strategic plan and the Organization will face a new challenge to lead the GESAMP Sponsoring Agencies (UN, FAO, UNEP, IAEA, UNESCO-IOC, WHO and WMO) in reforming the structure and work methods of GESAMP in the biennium. It is expected that an independent GESAMP Office will be established as part of the reform of GESAMP and each Sponsoring Agency would be required to provide its share of the cost of the GESAMP Office in the biennium.

19.5 Table 10 below illustrates the proposed appropriations for the GESAMP activities in 2004 and 2005 compared with the expenditure from the year 2000 financed by the regular budget and by the Donor Governments.

Table 10

Joint Group of Experts on the Scientific Aspects of Marine Environment Protection (GESAMP)

	Actual out-turn			Planned activities			Total
	£			£			
Resource in-put	2000	2001	2002	2003	2004	2005	
Regular budget	45,860	45,317	30,431	33,254	84,000	84,000	322,862
Donors	7,926	17,958	23,791	30,746	-	-	80,421
Total	53,786	63,275	54,222	64,000	84,000	84,000	403,283
Donors			£				
Government of the Netherlands			46,221				
Government of the United Kingdom			22,800				
Government of Malta			11,400				
Total contributions			80,421				

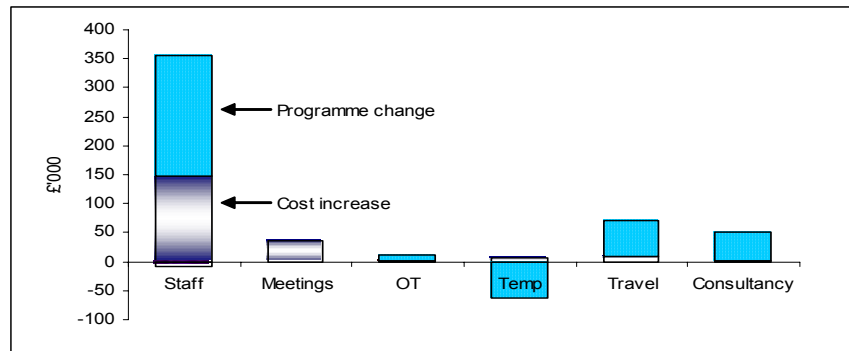
19.6 Table 11 and Figure 6 below display the biennium analysis of the appropriation increases compare with 2002-2003.

Table 11
Cost and programme analysis

Major Programme 3 - Marine Environment Protection			
		£	
2002-2003		3,450,300	
Cost increase	174,100		
Statutory increments	42,400		
Other costs	(7,400)		
Meetings	35,600		
Exchange rate change	(69,900)		
		174,800	0.4%
ZRG 2004-2005		3,625,100	
Programme change			
Personnel	208,800		0.5%
OT	11,500		
Temp	(56,900)		
Travel	69,800		
Consultancy	50,000		
		283,200	0.7%
ZBB 2004-2005		3,908,300	
Additional posts proposed			
1/	OPRC/HNS Protocol	P4	P 1
	Pollution prevention	P3	GS 0
	Preparedness & response	G4	1
	Ballast Water Management	G5	1
	Total posts		2

Figure 6

Cost change analysis
Major Programme – Marine Environment Protection



20 Major Programme 4 - Legal Affairs

20.1 The objective of this major programme is the development of international maritime law, legal advice to the Organization, performance of depositary functions, litigation and technical co-operation in the field of maritime law.

20.2 The major programme comprises two programmes, each of which is made up of a number of sub-programmes. Table 13 below sets out the resource requirements for 2004 and 2005 financed from the regular budget.

Table 12**Major Programme – Legal Affairs****Regular budget resource requirements**

Major programme 4 - Legal Affairs													Total
Year	Work month estimates			Direct Cost £								Sub-total	
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy			2004/2005
					W/day	Costs				W/day	Costs		
2002	19.0	48.0	43.0	574,500	15	153,400	2,200	9,000	12,000			751,100	
2003	19.0	48.0	43.0	624,100	10	104,600	2,200	9,000	12,000			751,900	1,503,000
2004	19.0	48.0	43.0	651,700	10	112,000	3,500	5,200	26,000	30	6,000	804,400	
2005	19.0	48.0	43.0	661,800	10	117,600	8,300	4,300	27,500	30	6,200	825,700	1,630,100

20.3 The current staff complement is to remain unchanged notwithstanding a prospective increase in the workload of the Legal Committee and preparatory work on diplomatic conferences to adopt treaty law instruments. Table 13 and Figure 7 below display the biennium analysis of the appropriation increases compared with 2002-2003. The major cost increase derives from the filling of all Professional posts, one of which was held temporarily vacant in the 2002-2003 biennium for budgetary reasons.

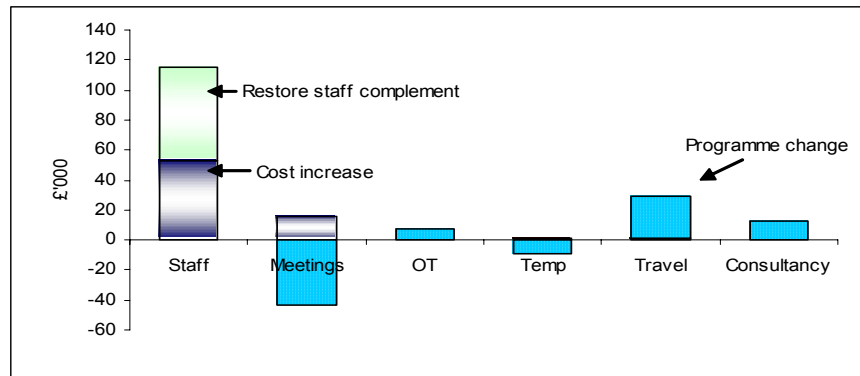
Table 13
Cost and programme analysis

Major Programme 4 - Legal Affairs

		£		
2002-2003		<u>1,503,000</u>		
Cost increase	64,700		Salaries, benefits and allowances	
Statutory increments	16,400		Incremental salaries	
Restore staff complement	61,500		Prof. 12 mm/annum	
Meetings	(28,400)		Consolidation - Meeting programme 2002-2003 & 2004-2005	
Exchange rate change	(27,700)		13% depreciation in US\$ against £ (from \$1.41 to \$1.60)	
		<u>86,500</u>	Cost change	
			Minimum resource requirements based on current expenditure trends	
ZRG 2004-2005		1,589,500		
Programme change				
Personnel	0		350 additional hours over 2002-2003 biennium	
OT	7,400		Consolidation	
Temp	(8,500)		Additional travel plan	
Travel	29,500			
Consultancy	12,200			
		<u>40,600</u>	Total programme change	
ZBB 2004-2005		<u><u>1,630,100</u></u>	Proposed	

Figure 7

**Cost change analysis
Major Programme – Legal Affairs**



21 Major Programme 5 - Facilitation of Maritime Traffic

21.1 The objectives of this major programme are to provide overall direction, management and co-ordination of technical work relating to Amendments to, and implementation of the FAL convention, and activities for the delivery of the technical work relating to facilitation of international maritime traffic and relevant ship/port interface matters.

21.2 This major programme comprises three programmes supported by a number of sub-programmes. The direction and management of this major programme is carried under Major Programme 2 - Maritime Safety and Security.

21.3 Table 14 below displays the regular budget resource requirements for 2004 and 2005.

Table 14

Major Programme 5 – Facilitation of Maritime Traffic

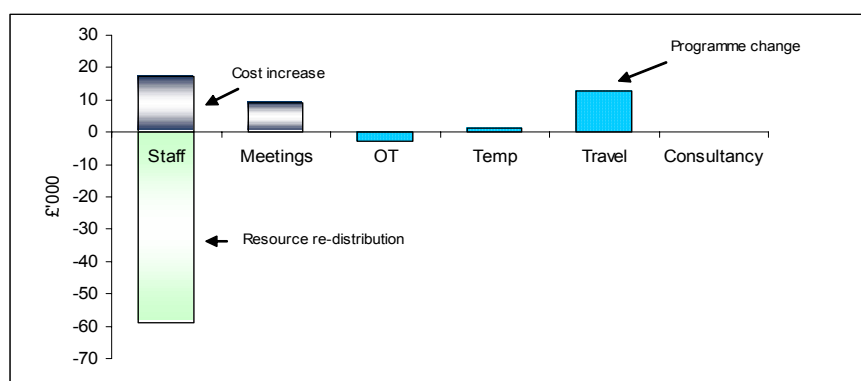
Regular budget resource requirements

Major programme 5 - Facilitation of Maritime Traffic													Total
Year	Work month estimates			Direct Cost £								Sub-total	
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy			
					W/day	Costs				W/day	Costs		
2002		14.0	15.0	154,500	5	36,700	1,900	1,500	1,500			196,100	402,100
2003		14.0	15.0	164,100	5	38,500	1,900		1,500	-	-	206,000	
2004		10.5	13.5	139,700	5	41,200	700	1,500	7,900			191,000	381,700
2005		10.5	13.5	137,300	5	43,300	700	1,500	7,900			190,700	

21.4 The lower level of budgetary requirement for 2004 and 2005 compared with the current biennium is mainly attributable to the re-distribution of staff resources between Major Programmes 2 and 5. The biennium analysis of appropriation increases/decreases compared with 2002-2003 is shown in Table 15 and Figure 8 below.

Table 15

Major Programme 5 - Facilitation of Maritime Traffic			
		£	
2002-2003		402,100	Appropriation
Cost increase	17,400		Salaries, benefits and allowances
Statutory increments	4,700		Incremental salaries
Other costs	(58,800)		Resource re-allocations
Meetings	9,300		7% and 5% overall increase in 2004-2005
Exchange rate change	(4,900)		13% depreciation in US\$ against £ (from \$1.41 to \$1.60)
		(32,300)	net cost reduction
ZRG 2004-2005		369,800	-0.1%
Programme change			Minimum resource requirements
Personnel	0		
OT	(2,400)		Re-distribution of OT requirements within MSD
Temp	1,500		20 additional w/days over 2002-2003 biennium
Travel	12,800		Additional travel plan
Consultancy	0		
		11,900	0.0%
ZBB 2004-2005		381,700	Proposed

Figure 8
Cost change analysis**Major Programme – Facilitation of Maritime Traffic****22 Major Programme 6 - TC and Institutional Development**

22.1 The objective of this major programme is to provide overall direction and management of the Organization's technical co-operation activities including planning, resourcing, developing, monitoring and assessing the impact of the Organization's Integrated Technical Co-operation Programmes (ITCP).

22.2 The new programme structure for Major Programme 6 was developed as part of the Change Management Programme; it comprises nine programmes, each of which is made up of a number of sub-programmes. The new structure is designed to improve the capture and quality of information relating to regional delivery. Table 16 below sets out the resource requirements for 2004 and 2005 financed from the regular budget.

Table 16

Major Programme 6 – TC and Institutional Development

Regular budget resource requirements

Major programme 6 - Technical Co-operation and Institutional Development													Sub-total	Total
Year	Work month estimates			Direct Cost £										
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy				
					W/day	Costs				W/day	Costs			
2002	12.0	84.0	132.0	1,164,100	2	10,200	2,800	18,900	17,000			1,213,000		
2003	12.0	84.0	132.0	1,182,500	2	10,200	2,800	18,900	17,000	-	-	1,231,400	2,444,400	
2004	12.0	108.0	130.0	1,333,500	3	33,600	8,200	15,100	61,800			1,452,200		
2005	12.0	132.0	166.0	1,547,800	3	35,300	8,700	15,100	68,900			1,675,800	3,128,000	

22.3 The Organization and its technical co-operation activities will face new challenges during the biennium 2004-2005:

- IMO's regional presence will be extended to the Asia and Pacific Region (in India and in the Philippines) from 2003 onwards and in the Arab/Mediterranean region from June 2004; eight new partnership agreements/joint project arrangements have been developed in the Asia and Pacific region; expansion is planned of existing partnerships in Latin America and the Caribbean;
- the introduction of new mechanisms and procedures for contracting and for monitoring the project performance of in-house TC Implementation Agents, as part of the Secretary-General's Change Management Programme, will help the Organization's delivery capabilities. Management tools such as programme implementation documentation, new contractual obligations which define milestones and indicators, will provide benchmarks against which performance will be measured.

22.4 These increased demands cannot be absorbed from within the existing complement. Accordingly, the resource requirements for 2004 and 2005 in this Programme include a creation of one Programme Assistant (P2 level) under each Geographical Focal Point for Arab and Francophone and Latin America and Caribbean, respectively, and a Technical Co-operation Officer (P3), responsible for implementation of Maritime Security Projects. This post is currently financed from the extra-budgetary resources in accordance with Assembly decision (Resolution A.924). Three additional G-5 posts are also proposed to provide secretarial support under the changed organizational arrangement for the delivery of the technical co-operation projects.

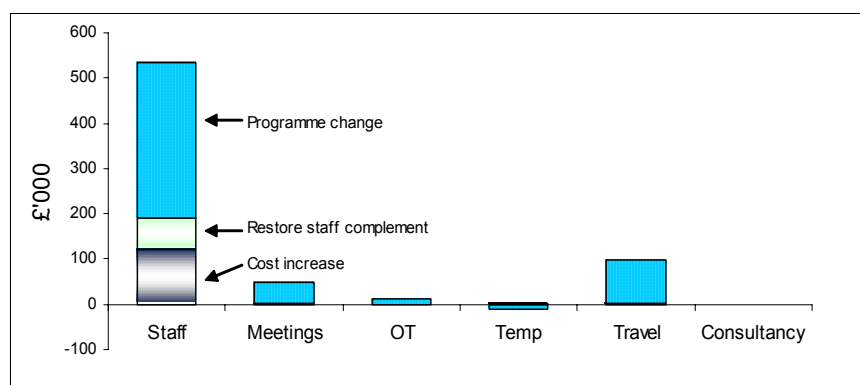
22.5 Figure 9 and Table 17 display the biennium analysis of the appropriation increases compare with 2002-2003.

Table 17
Cost and programme analysis

Major Programme 6 - TC & Institutional Development			
		£	
2002-2003		2,444,400	
Cost increase	137,600		Salaries, benefits and allowances
Statutory increments	34,500		Incremental salaries
Restore staff complement	68,400		Prof. 12 mm
Meetings	48,500		7% and 5% overall increase in 2004 and 2005 respectively
Exchange rate change	(51,500)		13% depreciation in US\$ against £ (from \$1.41 to \$1.60)
		<u>237,500</u>	0.6%
ZRG 2004-2005		2,681,900	
Programme change			Cost change
Personnel	345,700		Minimum resource requirements based on current expenditure trends
OT	11,300		Proposed posts from 2005 (see table below)
Temp	(7,600)		540 additional hours over 2002-2003 biennium
Travel	96,700		Consolidation
Consultancy	<u>0</u>		Additional travel plan
		<u>446,100</u>	1.1%
			Total additional resource requirements
ZBB 2004-2005		3,128,000	Proposed
Additional posts proposed			
1/ Arab and Francophone	P2	1	0
Latin America	P2	1	0
Latin America	G5	0	1
Global Programme	G5	0	1
Secretary to Snr. Deputy D1	G5	0	1
Maritime Security (Global)	P3	1	0
Total posts		<u>3</u>	<u>3</u>

Figure 9

Cost change analysis
Major Programme – TC and Institutional Development



23 Major Programme 7 - Conference Services

23.1 The objective of the Conference Services is to provide logistical support and related services to all IMO meetings. This major programme comprises five programmes supported by a number of sub-programmes.

23.2 The capacity of the Conference Division has become stretched to the limit as a result of the ever-increasing documentation workload, as well as additional requests by Member States for

I:\COUNCIL\90\18-PART 1.DOC

improved conference facilities. Managing the new, rigorous procedures for registering delegates, consequential upon the strengthened security arrangements for the Organization’s Headquarters premises has brought new responsibilities.

23.3 Table 18 below sets out the resource requirements for 2004 and 2005 compared with the approved appropriations for the current biennium.

Table 18

Major Programme – Conference Services

Regular budget resource requirements

Major programme 7 - Conference Services													
Year	Work month			Direct Cost £								Sub-total	Total
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy			
					W/day	Costs				W/day	Costs		
												2002/2003	2004/2005
2002	24.0	468.0	564.0	4,920,700			52,000	50,000	13,000			5,035,700	
2003	24.0	468.0	564.0	5,121,000			52,000	50,000	13,000	-	-	5,236,000	10,271,700
2004	36.0	456.0	588.0	5,167,500			87,100	72,100	23,800			5,350,500	
2005	36.0	468.0	624.0	5,613,200			90,300	74,300	26,400			5,804,200	11,154,700

23.4 The following considerations are relevant to the resource requirements for Conference Services in 2004-2005:

- the MANNET review of the Secretariat led to a recommendation that a centralized Terminology and Referencing Unit should be established in order to maintain high quality and timely translation in the face of the increasing volume of highly technical documentation. The Secretary-General considers this recommendation to be sound in principle. However, it has not been feasible to form the Unit from within existing resources. Accordingly, this initiative will be kept under review.
- The Translation Sections have found it particularly difficult to manage the substantial increase in the workload for Meetings. Continuous efforts are made to apply new technology to ensure that deadlines are met. If the volume of documentation continues at prevailing levels, some additional strengthening of the Translation Sections may be necessary and the Secretary-General will keep this matter under review. More immediately, the creation of one P post in the Arabic Translation Section is necessary to enable the Organization to meet the obligations of the rules of procedure of IMO bodies concerning availability of documentation to Arabic-speaking Member States.
- In response to the Council’s request for increased conference support facilities for delegates, an additional GS post is proposed to service the expanded Conference Business Centre.
- Additionally, to ensure that registration procedures for meetings move in line with security and safety requirements, provision has been made for the creation of two GS posts to service the new integrated registration system.

23.5 Table 19 and Figure 10 display the biennium analysis of the appropriation increase compared with 2002-2003.

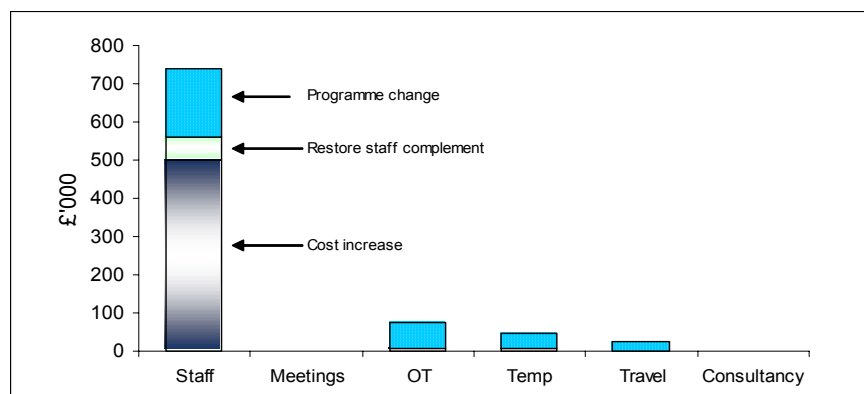
Table 19
Cost and programme change

Major Programme 7 - Conference Services

		£		
2002-2003		10,271,700	Appropriation	
Cost increase	541,500		Salaries, benefits and allowances	
Statutory increments	144,500		Incremental salaries	
Restore staff complement	60,200		GS 24 mm	
Exchange rate change	(186,600)		13% depreciation in US\$ against £ (from \$1.41 to \$1.60)	
		<u>559,600</u>	1.3%	Cost change
ZRG 2004-2005		<u>10,831,300</u>		Minimum resource requirements
Programme change				
Personnel	179,400		Proposed posts from 2005 (see table below)	
OT	73,400		3,500 additional hours over 2002-2003 biennium	
Temp	46,400		P=40 & GS=420 additional w/days over 2002-2003 biennium	
Travel	24,200		Additional travel plan	
Consultancy	0			
		<u>323,400</u>	0.8%	Total additional resource requirements
ZBB 2004-2005		<u><u>11,154,700</u></u>	Proposed	
Additional posts proposed				
1/ Terminology and Referencing			P	GS
French TS and WPU				
Arabic TS			1	-
Conference Section			0	3
Total posts			<u>1</u>	<u>3</u>

Figure 10

Cost change analysis
Major Programme – Conference Services



24 Major Programme 8 – Administrative Services

24.1 The functions under this major programme relate to the effective management of the Organization's resources, delivery of cost-effective support services to the Administration's client base, including the implementation of the Secretary-General's Change Management Programme. The provisions of services include Finance, Human Resource Management, Office of General Services, IT and Office automation, Publishing and Management Accounting.

24.2 This major programme comprises 7 programmes, each of which is made up of a number of sub-programmes. The proposed appropriations and the resource requirements under IT and Publishing Services are shown separately as Major Programmes 10 and 11 since these programmes provide direct specialist services to other major programmes. Table 20 below sets out the regular budget resource requirements for 2004 and 2005 compare with the approved appropriations for 2002 and 2003.

Table 20

Major Programme – Administrative Services

Major programme 8 - Administrative Services													Total
Year	Work month			Direct Cost £								Sub-total	
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy			
					W/day	Costs				W/day	Costs		
2002	12.0	156.0	480.0	2,427,300			53,000	53,000	33,000			2,566,300	2002/2003
2003	12.0	156.0	480.0	2,507,300			53,000	53,000	33,000	-	-	2,646,300	2004/2005
2004	24.0	156.0	576.0	2,755,600			43,400	103,800	43,600			2,946,400	
2005	24.0	156.0	504.0	2,865,500			43,400	104,600	43,600			3,057,100	6,003,500

Regular budget resource requirements

24.3 The resource requirements for 2004 and 2005 exclude additional funds to cover the replacement of the core staff who will be engaged in the prospective implementation of the prospective new accounting, financial and budgetary control system which is to be financed from the Headquarters Capital Fund. The work-month allocations are therefore based on the current complement.

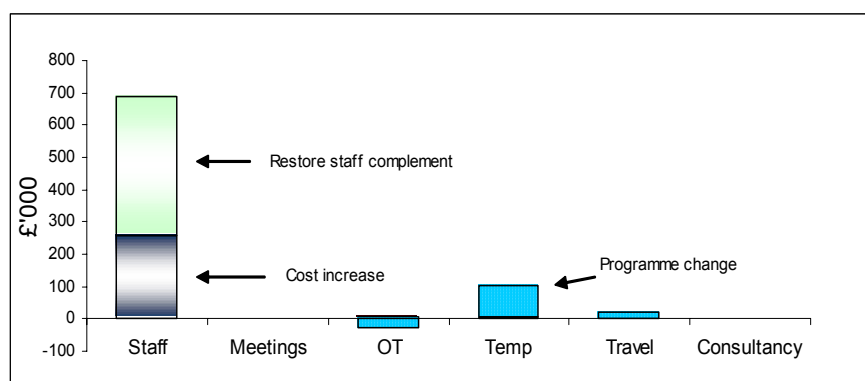
24.4 Tables 21 and Figure 11 below display the biennium analysis of the appropriation increases compared with 2002-2003. In summary, the resource allocation is based on delivering the Administrative Programmes and sustaining the Change Management Programme **within** the existing complement. Provision is made for the reinstatement of one Professional post (Facilities Management) which it had been planned to keep vacant in 2002-2003, with a view to contracting out more of the Headquarters facilities management work. However, increasing maintenance requirements and the Organization’s growing capital programme, together with heightened safety and security considerations, have proved to require the retention of a Professional in-house Facilities Manager.

Table 21
Cost and programme analysis

Major Programme 8 - Administrative Services					
		£			
2002-2003		5,212,600			
Cost increase	244,300			Salaries, benefits and allowances	
Statutory increments	76,500			Incremental salaries	
Restore staff complement	429,800			Prof. 24 mm and GS 24 mm/annum	
Exchange rate change	(64,100)			13% depreciation in US\$ against £ (from \$1.41 to \$1.60)	
		686,500	1.6%	Cost change	
ZRG 2004-2005		5,899,100		Minimum resource requirements	
Programme change					
Personnel	0			Consolidation	
OT	(19,200)			1,460 additional w/days over 2002-2003 biennium	
Temp	102,400			Additional travel plan	
Travel	21,200			Finance and HR consultancy	
Consultancy	0			Total additional resource requirements	
		104,400	0.2%		
ZBB 2004-2005		6,003,500		Proposed	

Figure 11

Cost change analysis
Major Programme – Administrative Services



25 Major Programme 9 – External Relations and Information Services

25.1 The objectives of this major programme are to promote harmonious relations with Member States, Organizations of UN system and intergovernmental and non-governmental organizations with a view to fostering the aims of IMO and the United Nations; to disseminate information on the Organization's objectives and work activities through the international maritime community, press and IMO website; to ensure the Organization maintains an essential core collection of legal and technical material for the use of the international maritime community and public.

25.2 This major programme comprises three Programmes: Direction and Management, External Relations and Information Services. External Relations and Information Services have two Sub-Programmes each, Accreditation and Liaison Services and Inter-Agency Relations, and Public Information Services and Library Services, respectively. Table 22 below sets out the resource requirements for 2004 and 2005 financed from the regular budget.

Table 22

Major Programme – External Relations and Information Services

Regular budget resource requirements

Major programme 9 - External Relations and Information Services													
Year	Work month			Direct Cost £								Sub-total	Total
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy			
					W/day	Costs				W/day	Costs		
												2002/2003	2004/2005
2002	17.0	60.0	77.0	757,400			900	14,500	10,000			782,800	
2003	17.0	72.0	77.0	861,300			900	14,500	10,000			886,700	1,669,500
2004	17.0	72.0	77.0	878,300			2,100	23,200	24,000			927,600	
2005	17.0	72.0	89.0	930,300			2,100	23,900	24,200			980,500	1,908,100

25.3 As the result of increasing membership of the Organization, the establishment of Permanent Missions and growing number of applications from interns and visits, the volume of work under these services have increased and needs corresponding increase in the support staff under ERO. Accordingly, the resource requirements for 2004 and 2005 include a creation of one G5 secretarial post under the External Relations Office since two offices under this major programme; namely, Accreditation/Liaison Services and Inter-Agency Relations currently share one secretarial assistant.

25.4 Table 23 and Figure 12 below display the biennium analysis of the appropriation increases compare with 2002-2003.

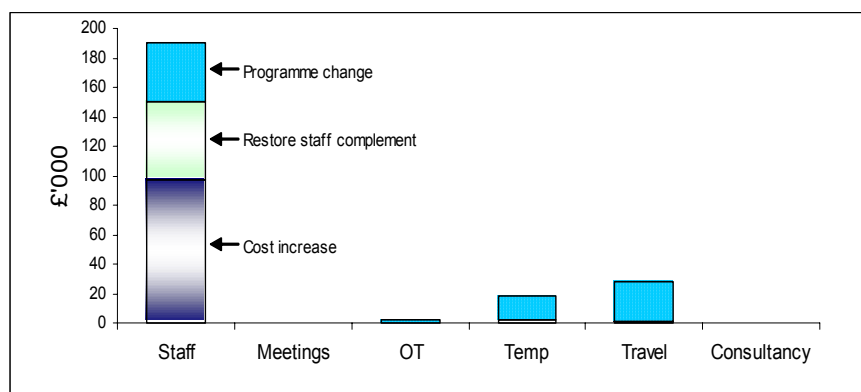
Table 23

Major Programme 9 - External Relations and Information Services

		£		
2002-2003		<u>1,669,500</u>		Appropriation
Cost increase	104,800			Salaries, benefits and allowances
Statutory increments	26,600			Incremental salaries
Restore staff complement	53,000			Prof. 12 mm
Exchange rate change	<u>(33,600)</u>			13% depreciation in US\$ against £ (from \$1.41 to \$1.60)
		150,800	0.4%	Cost change
ZRG 2004-2005		<u>1,820,300</u>		Minimum resource requirements
Programme change				Propose one additional G5 post under Accreditation & liaison Services
Personnel	39,100			110 additional hours over 2002-2003 biennium
OT	2,400			Consolidation with the proposed GS post
Temp	18,100			Additional travel plan
Travel	28,200			
Consultancy	<u>0</u>			
		87,800	0.2%	
ZBB 2004-2005		<u><u>1,908,100</u></u>		Proposed

Figure 12

Cost change analysis
Major Programme – External Relations and Information Services



26 Major Programme 10 – IT and Office Automation Services

26.1 This programme comprises five sub-programmes: Management and co-ordination, Information systems/Knowledge management, Software Development, IT Infrastructure and User Support, respectively. The Organization relies heavily on Information Technology (IT) to support all its major technical, administrative and financial functions. A variety of software applications are currently used supported by centralized departmental servers (network servers) and desktop PCs throughout the Organization. The IT Section provides the support infrastructure to enable the Organization to apply new technology to perform its mission. The Organization needs access to the best technologies to provide and improve its services to Member States and constituents, implement its reform process, increase its productivity and lower its operating costs.

26.2 The IT programme objectives are: to provide information management and knowledge management solutions to guide policy and strategic decisions in a timely manner; to align information management strategy and information technology strategy with IMO core business objectives; to facilitate the development and maintenance of information systems, Information and Communication Technology Infrastructure and services for improved information management, to maintain a Business Continuity and Disaster Recovery Plan, which ensures the Organization's IT systems and its "knowledge" base is protected and accessible on a 24/7 basis. Table 24 below sets out the regular budget resource requirements for the biennium 2004-2005.

Table 24

Major Programme 10 – IT and Office Automation Services

Regular budget resource requirements

Major programme 10 - Information Technology														Total
Year	Work month estimates			Direct Cost £								Sub-total		
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy				
					W/day	Costs				W/day	Costs			
2002		48.0	84.0	534,000			1,000	35,000	6,000			576,000		
2003		72.0	72.0	550,500			1,000	35,000	6,000	-	-	592,500	1,168,500	
2004	12.0	60.0	84.0	731,700			8,000	44,000	13,600	40	20,200	817,500		
2005	12.0	72.0	108.0	839,900			8,000	44,000	13,600	40	20,200	925,700	1,743,200	

26.3 It is envisaged that the acquisition and the installation of a new accounting, financial and budgetary control system will commence later this year subject to a decision by the Council on the particular form which this will take. In the meantime, planning on an interim solution and its implementation will provide some improvements to the present methodology of presentation, of timing and a more user-friendly format. The provision of user support and the rapid strides in IT development and demand in 2002-2003, has required the contracting-in of a number of temporary and contract staff. These costs have largely been met from the Temporary Assistance budget and by redeploying vacant posts and applying underspends to the IT programme. IT Services require the regularization of a number of positions to provide sustainable support for the users in the longer-term and to develop a sustainable level of in-house expertise in the design and implementation of new tools. The re-distribution of resource requirements in line with the work programme and the relevant financing for the biennium 2004-2005 is shown below.

Table 25

**Information Technology Services
Additional resources proposed 2004-2005**

	HQs Capital Fund	Regular budget	
	Work-months	P	GS
Information Analyst ^{1/}	12		
Database programmer ^{1/}	12		
Software Development ^{2/}		2	
Information System Analyst		1	
Admin Assistant			1
Helpdesk Analyst			1
Total	24	3	2

Notes:

- 1/ prospective implementation of a new resource planning system (contract positions)
- 2/ redeployment of established posts within Administrative Services

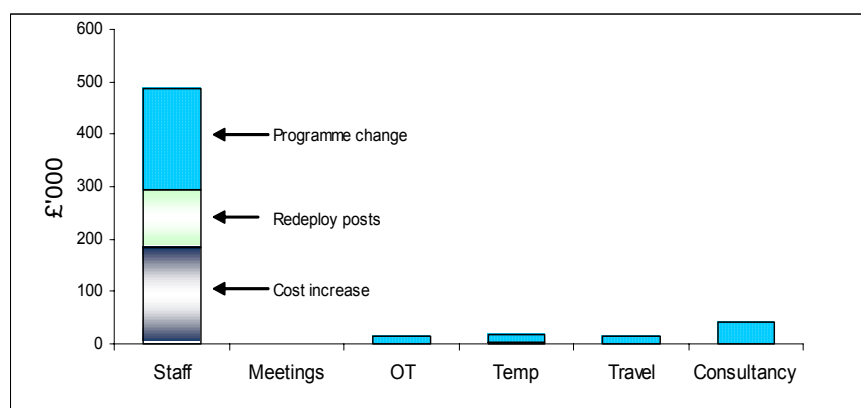
26.4 Table 26 and Figure 13 below display the biennium analysis of the appropriation increases compare with 2002-2003.

Table 26

Major Programme 10 - Information Technology		£	
2002-2003		1,168,500	
Cost increase	181,400		Salaries, benefits and allowances
Statutory increments	22,700		Incremental salaries
Re-deployment post	112,000		Prof. 24mm/annum
Exchange rate change	<u>-21,000</u>		13% depreciation in US\$ against £ (from \$1.41 to \$1.60)
		295,100	Cost change
			0.7%
ZRG 2004-2005		1,463,600	
Programme change			Minimum resource requirements
Personnel	192,000		Formalization of 1 Professional and 2 GS
OT	14,000		670 additional hours over 2002-2003 biennium
Temp	18,000		120 Professional work-days
Travel	15,200		Additional travel plan
Consultancy	<u>40,400</u>		40 w/days over the biennium
		279,600	Total additional resource requirements
			0.7%
ZBB 2004-2005		1,743,200	Proposed
Additional posts proposed		P	GS
1/ Web developer			-
Information System Analyst		1	-
Admin Assistant		0	1
Helpdesk Analyst			1
Total posts		<u>1</u>	<u>2</u>
			Source of financing
			Regular budget
			Regular budget 2005
			Regular budget

Figure 13

**Cost change analysis
Major Programme 10 – IT and Office Automation Services**



The total proposed budget including forecast capital expenditure for this Programme is shown for completeness in Part 2 – Major Programme 10.

27 Major Programme 11 – Publishing Service

27.1 The objectives of this programme are to develop strategies aimed at reaching the highest possible level of dissemination of IMO publications and related information material. Preparation of books and serial publications that are judged to be highly relevant to IMO's technical instruments and objectives on issues affecting maritime safety, marine environmental protection and maritime security.

27.2 The IMO's publishing activities are self-financing. The revenue generated from sale of the publications reimburses not only the costs of the staff employed under the regular budget but also forms a major source of financing towards the Organization's Integrated Technical Co-operation Programme (ITCP) year-on-year. Table 27 below sets out the resource requirements for 2004 and 2005 financed from the regular budget.

Table 27

Major Programme – Publishing Service

Regular budget resource requirements

Major programme 11 - Publishing Service													Total	
Year	Work month estimates			Direct Cost £							Sub-total			
	D	P	GS	Staff	Meetings		O.T.	Temp.	Travel	Consultancy				
					W/day	Costs				W/day		Costs		
2002		60.0	192.0	888,100								888,100	2002/2003	
2003		72.0	168.0	1,067,700							-	-	1,067,700	2004/2005
2004	12.0	72.0	180.0	1,109,000			10,000						1,119,000	
2005	12.0	72.0	180.0	1,160,100			10,000						1,170,100	2,289,100

27.3 This Programme comprises four sub-programmes: Management and co-ordination of the work, Marketing and Sales, Editorial and Production Services.

The resource requirements for 2004-2005 show the current staff complement is unchanged. Table 28 and Figure 14 below display the biennium analysis of the appropriation increases compare with 2002-2003.

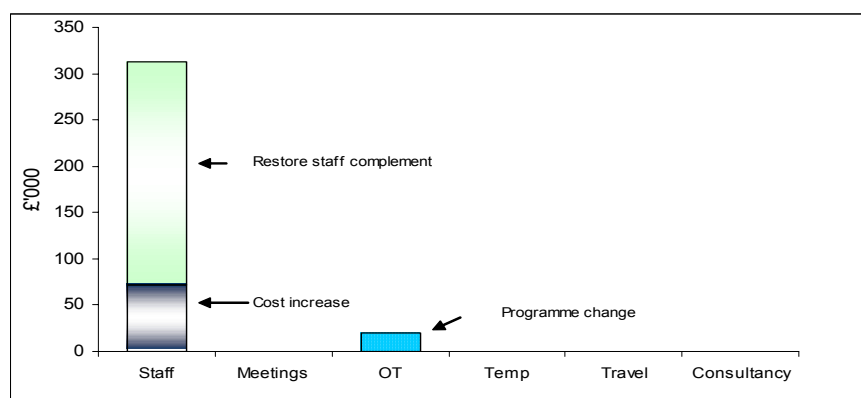
Table 28

Major Programme 11 - Publishing Services

		£		
2002-2003		<u>1,955,800</u>		Appropriation
Cost increase	80,000			Salaries, benefits and allowances
Statutory increments	25,000			Incremental salaries
Restore staff complement	240,800			Prof. 24 mm and GS 24 mm/annum
Exchange rate change	<u>-32,500</u>			13% depreciation in US\$ against £ (from \$1.41 to \$1.60)
		313,300	0.7%	Cost change
ZRG 2004-2005		<u>2,269,100</u>		Minimum resource requirements
Programme change				
Personnel	-			
OT	20,000			950 additional hours over 2002-2003 biennium
Temp	-			
Travel	-			Additional travel plan
Consultancy	<u>-</u>			
		20,000	0.0%	Total additional resource requirements
ZBB 2004-2005		<u><u>2,289,100</u></u>		Proposed

Figure 14

**Cost change analysis
Major Programme 11 – Publishing Services**



The total proposed budget including forecast capital expenditure for this Programme is shown for completeness in Part 2 – Major Programme 11.

The forecast revenue and expenditure for the Printing Fund is set out at Annex 8.

28 Programme of meetings

28.1 The continued growth in the Organization's work programme is reflected in the volume of documentation, the total volume of documents processed for translation into each of the other two working languages namely French and Spanish in 2001 and 2002 was approximately 19,700 pages and 23,600 pages respectively, representing an increase of some 20% when compared with the level processed in the biennium 2000-2001. This was due not only to the increase in the average volume of documents submitted for translation per Meeting, but also to a considerable volume of additional documentation submitted for the Diplomatic Conference on Maritime Security, which the Assembly at its 22n session agreed to hold in December 2002.

28.2 Past trends indicate that in 2004-2005, the volume of IMO documentation to be translated and processed for Meetings is likely to be even greater. So far as costs are concerned, it is expected that pay levels for temporary translators and temporary General Service staff may increase by some 3% to 5%. The rate for outsourced translations, which was increased by 35% in 2002, remains below those in both the UN and other organizations of the common system. Some increase may be expected in the 2004-2005 biennium. Furthermore, the rate of pay for interpreters, which under the Agreement concerning Conditions of Employment of Short Term Conference Interpreters increased twice in the last biennium, is envisaged to increase at the rate of approx. 5% per annum. In consideration of these factors, coupled with inflation rates for all other commodities required for servicing meetings, it is envisaged that the average cost of meetings in 2004 and 2005 will increase accordingly. However, bearing in mind the financial constraints of IMO and the cost-cutting measures intended to be implemented where possible, the increase for the average costs of meetings has been restrained to 7% in 2004 and 5% in 2005.

28.3 As can be seen in Table 29 below provisions have been made for the following meetings in 2004-2005:

- *a two-week meeting in the autumn of 2005 for the Assembly;*
- *two one-week meetings in 2004 and one one-week and one one-day meeting in 2005 for the Council. The second meeting in 2005 of one day would take place in the form of the usual extraordinary session on the eve of the Assembly;*
- *two "stand-alone" meetings of TCC in 2004 and 2005 of three days' duration each, as proposed by TCC to the Council;*
- *14 weeks in 2004 and 11.6 weeks in 2005 for the meetings of the Maritime Safety Committee and the Marine Environment Protection Committee and the Sub Committees;*
- *two one-week meetings each in 2004 and 2005 for the Legal Committee, as in the past;*
- *the Facilitation Committee is expected to hold a one-week meeting in 2004 and another in 2005;*
- *the Contracting Parties to the London Convention axe also expected to have one meeting of one week in 2004 and another in 2005; and*
- *finally, provision has been made for a Diplomatic Conference on Ballast Water Management in 2004. This Conference was originally scheduled for 2003 but has been postponed with the resultant budgetary savings in that year.*

28.4 No budgetary provision has been made for any intersessional working groups. Although these meetings do have a cost for the Organization, this cost is modest and would be absorbed in the overall budget for meetings, as in the past.

Table 29
Estimated cost of meetings 2004-2005

Meetings	2004			2005			Total
	Average cost of a meeting week	Number of meeting weeks	Total	Average cost of a meeting week	Number of meeting weeks	Total	
ASSEMBLY					2	212,000	212,000
COUNCIL	57,300	2	114,600	60,200	1.2 ⁵	72,240	186,840
TCC	56,000	0.6	33,600	58,800	0.6	35,280	68,880
MSC, MEPC and subsidiary bodies	56,000	5	280,000	58,800	2.6	152,880	432,880
SUB-TOTAL	41,200	<u>9</u> 14	370,800	43,300	<u>9</u> 11.6	389,700	760,500
LEG	56,000	2	112,000	58,800	2	117,600	229,600
FAL	41,200	1	41,200	43,300	1	43,300	84,500
LONDON CONVENTION	56,000	1	56,000	58,800	1	58,800	114,800
DIPLOMATIC CONFERENCES							
BALLAST WATER	60,500	1	60,500				
TOTAL		21.6	1,068,700		19.4	1,081,800	2,150,500

29 Conclusion

29.1 The Secretary-General's proposals are designed to match the Organization's work programme needs, which respond to safety, security and environmental policy imperatives, with a minimum level of resource which will deliver the Organization's work programme.

29.2 It is universally accepted that IMO is the pre-eminent authority for establishing standards of safety, security and environmental protection. This pre-eminent position will only be sustained if the Organization is financially robust and funded.

^{5/} One week for the spring regular session and one day for the extraordinary session prior to Assembly session.

ANNEX 1

COST AND PRICE FACTORS

1 Introduction

The following paragraphs provide information on the forecast cost and price increases which have been included in the Programme budget estimates.

2 Rates of inflation and Average Earnings in United Kingdom Economy

The cost increases which impact on the Organization's expenditure are either inflation led and/or a product of the UN Common system for salaries, allowances and conditions of service. The interim adjustment methodology approved by the International Civil Service Commission (ICSC) which awards cost of living increases to Professional and higher categories through the post adjustment mechanism, is linked to the movements in the Retail Price Index (RPI) in the UK economy. A place-to-place survey is undertaken every 5 years by the ICSC to "re-price" the cost of living in Headquarter duty stations relative to the base of the system, New York. The interim adjustment methodology to the salary scales approved by the ICSC for the General Services category is linked to the movement of the RPI and the Average Earnings Index (AEI) in the UK economy. There is a similar 5 yearly annual salary survey by the ICSC to establish General Service salary levels relative to comparable employers in London. The official annual UK RPI in December 2002 had shown an increase of 2.9% over the previous 12 months; the Bank of England's RPI projection for 2003 is below the UK Government's target rate of 2.5%. The AEI increase for the whole the UK economy 2002 was 4.4% and the projection for 2003 is estimated at 4.1%. On the basis of this available data, an average RPI and AEI of 2.4% and 4.3% respectively have been applied for the period 2004-2005.

3 Pounds Sterling - US Dollar Exchange Rate

The US dollar base expenditure forms approximately 10% of the total expenditure of the Organization. In accordance with the standard procedure of the Organization, the United Nations operational rate of exchange prevailing during the month when budget proposals are presented is used to translate US dollar-based expenditure of the Organization. Accordingly, the operational rate of exchange in January 2003 of \$1.60=£1 has been used to convert US dollar expenditure.

4 Meetings and travel

Meetings

4.1 The expenditure under this component includes the provision for organizing and servicing of IMO meetings and conferences. The daily rates for interpreters, translators and general service staff recruited to service meetings reflect the prospective changes described in Part 1 of this document concerning the "Programmes of Meetings". The proposed budget is based on 41 Meeting weeks representing 0.3 meeting weeks above the provision for the current biennium 2002-2003.

Travel on official business

4.2 The provision under this expenditure heading provides for IMO's representation at the inter-governmental meetings. An annual travel programme under each Major Programme is approved by the Secretary-General. The proposed budget for 2004-2005 takes into account assumed 5% year-on-year increases in air fares and in daily subsistence allowance rates.

5 Personnel

Personnel costs form a large part of the direct cost of each Programme and comprise salaries, benefits and allowances of staff in the Professional and the General Service categories. The total cost of personnel is calculated based on the staff complement of the Organization taking account of the estimated staff turnover level of 24 work-months shown in Table 4 of Part 1. Table 1 below compares the appropriation for salaries and allowances for the biennium 2004-2005 with the current biennium 2002-2003. The increase reflects cost of living adjustments and other statutory allowances, including increments.

TABLE 1
APPROPRIATION COMPARISON

A 2002-2003 Appr.	B 2004-2005 Appr.	B as % of A
£	£	%
32,633,700	37,412,000	14.6

5.1 Professional and higher categories

The remuneration for staff in the Professionals and higher categories comprises:

- .1 Base/floor salary**, which is established in US dollars on a global scale, is applicable to all Professional staff in the UN common system regardless of the place of the duty station.

The new salary scale approved by the General Assembly at its 57th session in December 2002 reflects differential salary scale increases under each grade. This scale sets the base-line for calculating projected 2004-2005 pay costs. The budget estimate also provides for statutory increments payable in accordance with the Organization's Staff Rules and Regulations, and the commutation of accrued annual leave at the end of service.

- .2 Post adjustment**, is designed to maintain equality of purchasing power of a given salary at all UN duty stations by offsetting differences in the cost of living and taking account of changes in the rate of exchange between the US dollar against local currencies.

In accordance with the methodology recommended by the ICSC and approved by the United Nations General Assembly, any applicable increases in post adjustment allowances at Headquarters duty station should take place either after a full 5 percent movement in the local Retail Price Index or after the completion of 12 months, whichever ever occur first. The last increase in the cost of living adjustment was awarded in July 2001 on the result of a Place to Place survey conducted by ICSC in late 2000. Since that period the post adjustment allowance for Professional staff in London has been frozen to date.

Based on the current inflation assumption, the budget estimate for 2004-2005 biennium take into account an estimated 2 per cent cost of living increase in July in each year of 2003, 2004 and 2005.

.3 Contributions to the United Nations Joint Staff Pension Fund

Professional Gross salary is the basis for the establishment of the level of pensionable remuneration.

The total rate of contribution to the United Nations Joint Pension Fund is set at 23.7 per cent of the pensionable remuneration and is not scheduled for revision. Accordingly, the two-third share contributed by the Organization remains at 15.8 per cent of pensionable remuneration for 2004 and 2005. The pensionable remuneration scale for Professional staff is denominated in US dollars and is adjusted in accordance with UNJSPF Regulations, at the same time as the increases in net remuneration for Professional Staff in New York. The pensionable remuneration scale for Professional staff was last adjusted in January 2003 and represented a 3.63 per cent increase on the former scale. Similar increases equivalent to 3.7 per cent in pensionable remuneration have been included in the expenditure estimates effective from January 2003, January 2004 and January 2005.

.4 Dependency Allowances

Provision for dependency allowance has been calculated at revised rates effective 1 January 2003 approved by the fifty-seventh session of the United Nations General Assembly in December 2002.

5.2 General Service Category

The remuneration of staff in the General Service category comprises:

- .1 Net salaries** paid in local currency, which as noted is established in by reference, broadly, to external public sector and private sector employment conditions in each duty station on the basis of five yearly surveys.

A comprehensive salary survey for London-based General Service staff was carried out by the ICSC in 2001 and the next will be conducted in 2006. The Council, at its 87th session in July 2002, approved a revised salary scale with

effect from 1 October 2001. This new salary scale has been adjusted annually in accordance with the interim adjustment methodology approved by ICSC taking into account the average movement of the RPI and the AEI in the UK economy. In accordance with the above adjustment mechanism, an increase in the General Service salary scale of 2.2 per cent was awarded with effect from 1 October 2002. For the purpose of budgetary planning, 3 per cent interim salary scale adjustment has been projected in October in each year of 2003, 2004 and 2005. Provision is also made for annual statutory increments in accordance with the Organization's Staff Regulations and Rules.

.2 Contributions to the United Nations Joint Staff Pension Fund

Pensionable gross salaries, which constitute pensionable remuneration and are established by grossing up net salaries by the application of staff assessment. (representing an assessment of income tax payable in the duty station on retirement income).

For the General Service category, pensionable remuneration is the dollar equivalent of the sum of gross salaries, any language allowance and any non resident allowance. The Organization's share of contributions to UNJSPF is assumed at 15.8% pensionable remuneration. For the purpose of budgetary planning, provision also included for annual statutory increments and 3% increase of pensionable remuneration is estimated for October 2004 and 2005.

.3 Dependency Allowances

Certain bands of dependency allowances for GS staff were reduced on the basis of the ICSC's salary survey conducted in 2001 and to be in line with United Kingdom legislative changes. Provision for 2004-2005 biennium is made on the basis of current allowances level.

5.3 Common Staff Costs

.1 Education Grant

The two-yearly review of the level of education grant was carried out in 2002 in accordance with the revised methodology approved by the thirty-fifth session of ICSC. The General Assembly at its fifty-seventh session approved the increase of a maximum education grant payable in the United Kingdom from £10,210 to £11,925. Provision has been made for an inflation increase in the level of education grant on the basis established by the United Nations General Assembly. Cost increases for fees charged by educational institutions have been included in accordance with inflation assumptions.

.2 Staff Insurance

.1 National Insurance

The appropriation includes the Organization's contributions towards United Kingdom National Insurance in respect of staff who are United Kingdom nationals and permanent residents. The Organization pays 50% of the employee's contribution and is exempt from the employer's contribution.

.2 Medical Insurance

In accordance with Article VI of the Staff Regulations and Staff Rules, the Organization is responsible for establishing a scheme of social security for staff, including provisions for health protection. The appropriation for 2004 and 2005 represents the Organization's contribution to the health insurance schemes available to staff provided by the Van Breda scheme and BUPA. In addition, the Van Breda scheme extends to retired staff members who have been participants in one of the schemes for ten years or more while being employed by the Organization. The insurance under the Van Breda Plan included a 'cap' of 15% on premium increases, irrespective of the claims/premiums ratio, and the cost-sharing formula applied to premiums, reflects the Council's decision at its 89th session.

.3 Accident Insurance

The accident insurance provision includes the cost of policy premiums relating to the Organization's liability for work-related accidents in respect of regular staff and supernumerary employees.

.3 Home Leave

Travel costs for entitled staff members and their eligible dependants returning on home leave are paid by the Organization once in every two years. The cost of such travel, including an allowance for cost increases at assumed price levels is included in the provision.

5.4 Representation Allowance

The annual representation allowance for the Secretary-General has not been increased since 1998 at the Secretary-General's request. For 2004-2005, provision has been made for an increase of 3% in each year of the biennium. Council will recall that the question of the contractual arrangements for the appointment of the Secretary-General is to be considered by the Council at its 90th session.

5.5 Staff training

The provision for staff training includes the cost of language courses and computer-related training courses which are planned to be provided to staff during 2004 and 2005. Management and development training is included in the Training and Development Fund.

6 General operating expenses

- .1 The Organization's General Operating Expenses represent 20% of the Organization's budget are accounted for in the Major Programme 8 - Administrative Services. The proposed appropriation for 2004 and 2005 represent the actual expenditure level in 2002 with provision for a cost increase based on an annual inflation of 3 per cent in 2003, 2004 and 2005. The provisions include the acquisition of minor office

automation equipment such as calculators, small software packages and office furniture, etc. Capital expenditure is funded from the Headquarters Capital Fund. Due to prospective continuing demands on the Fund, the Secretary-General has proposed the inclusion in the regular budget for the biennium 2004-2005 of a line item of £300,000 per annum which would be transferred to the resources of the Fund.

- .2 Table 3 below summarizes the proposed appropriation for General Operating expenses for the biennium 2004-2005 compared with the current biennium 2002-2003.

TABLE 2
General operating expenses

	A	B	C
	2002-2003 appropriations	2004-2005 appropriations	Increase of B over A
	£	£	%
Hospitality	35,900	41,800	16
Office and reproduction supplies	287,400	250,900	(13)
Furniture, equipment and vehicles	546,600	635,600	16
Library	82,600	968,700	17
Communications	622,900	646,100	4
Headquarters premises	4,888,000	5,270,300	8
Other supplies and services	428,600	500,200	17
Sub-total	6,892,000	7,441,600	8
Provision for capital expenditure for HQs Capital Fund	-	600,000	100
Sub-total	6,892,000	8,041,600	17

7 Other budgetary provisions

- .1 The provisions included under this heading comprises; expenditure in respect of Jointly financed United Nations bodies, and External Audit. The estimates for after service medical insurance for retired staff members reflect current premium rates.
- .2 Other provision include the allowances paid to new recruits on appointment. Provision of £63,000 and £64,000 respectively is made in each year of the biennium 2004-2005. The allowances paid to staff on retirement/separation are financed from the Termination Benefit Fund.

8 Miscellaneous income

- 8.1 The income under this heading comprises income in interest earnings from funds (which are not immediately required for disbursements) invested with Major UK Banks both in a short-term and a medium-term deposits; currency exchange adjustments including the impact of changes of

operational exchange rates on the dollar assets and liabilities; and other miscellaneous reimbursements, etc.

8.2 The Financial Services of the Organization continues to carry out negotiation with banks and other independent investment. As a consequence of the continued decline in interest rates in the United Kingdom economy in recent years, earnings from investments in 2002 was well below the level achieved in the years prior to 2002. It has been assumed that the annual miscellaneous income will remain at the prevailing levels of £100,000 per annum during the forthcoming biennium 2004-2005.

9 Technical Co-operation Support cost

9.1 The Organization receives variable percentages of the total project expenditure financed from the UNDP and its trust funds programmes as well as donor funds to offset the costs of administrative and technical backstopping of the projects. In the light of project delivery for 2002, it is estimated that the level of support cost income during the biennium 2004-2005 will follow the pattern of 2002 and prospectively in 2003 , namely a forecast income of £400,000 per annum.

10 Table 3 below sets out the information, the proposed expenditure on the basis of objects of expenditure.

Table 3

Cost changes 2004-2005 over 2002-2003
Based on objects of expenditure

		Appr 2002	Appr 2003	Estimates 2004	2005	Approved 2002-2003	Estimates 2004-2005	Inc/dec Approp.	
Meetings		921,400	980,400	1,068,700	1,081,800	1,901,800	2,150,500	248,700	13%
Travel		200,000	200,000	408,400	422,900	400,000	831,300	431,300	108%
Consultancy		20,000	20,000	71,200	71,400	40,000	142,600	102,600	257%
		1,141,400	1,200,400	1,548,300	1,576,100	2,341,800	3,124,400	782,600	33%
Salaries: Professional & UNCL		5,796,600	6,244,500	5,907,700	6,393,600	12,041,100	12,301,300	260,200	2%
Post adjustments		1,635,600	1,613,500	2,333,800	2,546,600	3,249,100	4,880,400	1,631,300	50%
		7,432,200	7,858,000	8,241,500	8,940,200	15,290,200	17,181,700	1,891,500	12%
General Services salaries		4,147,800	4,191,400	4,515,700	4,934,500	8,339,200	9,450,200	1,111,000	13%
Overtime & night differential		132,800	132,800	209,700	217,300	265,600	427,000	161,400	61%
Temporary assistance		271,200	266,100	318,800	323,700	537,300	642,500	105,200	20%
		404,000	398,900	528,500	541,000	802,900	1,069,500	266,600	33%
Pension	Professional	1,607,600	1,712,400	1,718,500	1,849,900	3,320,000	3,568,400	248,400	7%
	General service	845,200	802,400	890,700	973,400	1,647,600	1,864,100	216,500	13%
Insurance	National	165,900	210,400	212,600	234,100	376,300	446,700	70,400	19%
	Medical	291,500	511,100	600,200	780,700	802,600	1,380,900	578,300	72%
	Accident	66,200	61,700	61,400	66,600	127,900	128,000	100	0%
Allowances	Professional	93,000	100,600	133,300	141,600	193,600	274,900	81,300	42%
	General service	87,800	120,700	103,900	121,000	208,500	224,900	16,400	8%
Education grnt.		507,700	593,900	640,600	683,800	1,101,600	1,324,400	222,800	20%
Homeleave		179,600	188,900	220,400	221,500	368,500	441,900	73,400	20%
		3,844,500	4,302,100	4,581,600	5,072,600	8,146,600	9,654,200	1,507,600	19%
Representation allow		27,400	27,400	28,200	28,200	54,800	56,400	1,600	3%
Total Personnel		15,855,900	16,777,800	17,895,500	19,516,500	32,633,700	37,412,000	4,778,300	14.6%
General Operating Expenses and Headquarters Premises									
Hospitality		17,700	18,200	20,600	21,200	35,900	41,800	5,900	16%
Office stationery		61,000	62,800	51,500	53,000	123,800	104,500	-19,300	-16%
Internal reproduction		80,600	83,000	72,100	74,300	163,600	146,400	-17,200	-11%
		141,600	145,800	123,600	127,300	287,400	250,900	-36,500	-13%
Minor purchase furniture and equip.		10,400	10,700	12,500	12,900	21,100	25,400	4,300	20%
Minor purchase - Office automation		10,000	10,000	10,300	10,600	20,000	20,900	900	5%
Maintenance equipment		50,000	50,000	51,500	53,000	100,000	104,500	4,500	5%
Maintenance office automation		65,000	68,000	69,000	71,000	133,000	140,000	7,000	5%
Maintenance database		48,400	50,000	69,300	70,700	98,400	140,000	41,600	42%
Maintenance digital printing equip.		77,800	80,100	92,700	95,500	157,900	188,200	30,300	19%
Maintenance official vehicle		8,000	8,200	8,200	8,400	16,200	16,600	400	2%
		269,600	277,000	313,500	322,100	546,600	635,600	89,000	16%

Table 3
Cost changes 2004-2005 over 2002-2003
Based on objects of expenditure

	Appr 2002	Appr 2003	Estimates 2004	2005	Approved 2002-2003	Estimates 2004-2005	Inc/dec Approp.	
Library	40,700	41,900	46,000	50,700	82,600	96,700	14,100	17%
Postage	163,800	168,700	168,700	173,800	332,500	342,500	10,000	3%
Telephone	129,100	133,900	129,100	133,900	263,000	263,000	0	0%
Electronic Communication	13,500	13,900	20,000	20,600	27,400	40,600	13,200	48%
	306,400	316,500	317,800	328,300	622,900	646,100	23,200	4%
Rental	1,195,800	1,195,800	1,195,800	1,195,800	2,391,600	2,391,600	0	0%
Rates	63,600	65,500	65,500	67,500	129,100	133,000	3,900	3%
Insurance	35,000	36,100	95,800	98,700	71,100	194,500	123,400	174%
Gas	31,600	32,400	31,600	32,400	64,000	64,000	0	0%
Electricity	190,200	195,900	195,700	201,600	386,100	397,300	11,200	3%
Water	22,600	23,300	25,800	26,600	45,900	52,400	6,500	14%
Maintenance, rental-building equip.	391,900	403,700	430,300	443,200	795,600	873,500	77,900	10%
Renovation/alteration	34,700	35,700	41,700	43,000	70,400	84,700	14,300	20%
Cleaning	242,600	249,900	251,500	259,000	492,500	510,500	18,000	4%
Security	217,600	224,100	280,200	288,600	441,700	568,800	127,100	29%
	2,425,600	2,462,400	2,613,900	2,656,400	4,888,000	5,270,300	382,300	8%
Fees & medical expenses	36,600	29,600	26,300	31,100	66,200	57,400	-8,800	-13%
Bank charges	4,800	5,900	7,000	9,200	10,700	16,200	5,500	51%
MISC supplies and services	31,200	17,000	16,800	19,300	48,200	36,100	-12,100	-25%
Office removal expenses	2,100	5,000	6,500	8,700	7,100	15,200	8,100	114%
Taxi fares	20,000	27,000	27,100	29,900	47,000	57,000	10,000	21%
Catering services	115,400	134,000	155,800	162,500	249,400	318,300	68,900	28%
	210,100	218,500	239,500	260,700	428,600	500,200	71,600	17%
Sub-total GOE	3,411,700	3,480,300	3,674,900	3,766,700	6,892,000	7,441,600	549,600	8%
Printing	100	100	100	100	200	200	0	0%
Public information	12,400	12,800	13,200	13,600	25,200	26,800	1,600	6%
	12,500	12,900	13,300	13,700	25,400	27,000	1,600	6%
External Audit	48,600	50,100	50,600	52,100	98,700	102,700	4,000	4%
After service medical insurance	101,400	104,500	172,600	176,900	205,900	349,500	143,600	70%
Recruitment	30,000	30,000	63,000	64,000	60,000	127,000	67,000	112%
Language classes	27,500	30,000	30,200	31,100	57,500	61,300	3,800	7%
Computer training	35,300	34,700	35,000	35,000	70,000	70,000	0	0%
Jointly financed UN bodies	51,000	52,500	66,200	68,200	103,500	134,400	30,900	30%
Unforeseen expenses	300	300	300	300	600	600	0	0%
	245,500	252,000	367,300	375,500	497,500	742,800	245,300	49%
Other budgetary provision	306,600	315,000	431,200	441,300	621,600	872,500	250,900	40%
Total	20,715,600	21,773,500 ###	23,549,900	25,300,600	42,489,100 ###	48,850,500	6,361,400	15.0%
Less								
Capital Investment Programme			300,000	300,000	0	600,000	600,000	
Staff turnover	-136,000	-136,000	-200,000	-200,000	-272,000	-400,000	-128,000	47.1%
Total proposed appropriations	20,579,600	21,637,500	23,649,900	25,400,600	42,217,100	49,050,500	6,833,400	16.2%

ANNEX 2

WORK PROGRAMME AND PROGRAMME BUDGETS FOR THE
TWENTY-THIRD FINANCIAL PERIOD 2004-2005 BIENNIUM

Programmes	YEAR 2004 PROGRAMME ESTIMATES		% appr.
	Direct cost	Total	
1 General policy and direction			
0.1 Governance (Council, Assembly)	114,600		
0.2 Office of the Secretary-General	420,800		
0.3 Internal oversight	281,500	816,900	3.5%
2 Maritime Safety			
0.1 Direction and Management	704,300		
0.2 Training and Human Element Matters	450,600		
0.3 Stability, Load Lines and Fishing Vessels Safety	169,000		
0.4 Ship Design and Equipment	137,200		
0.5 Fire Protection	102,500		
0.6 Radio Communications and Search and Rescue	228,600		
0.7 Navigational Operations and Equipment	246,800		
0.8 Bulk Liquid and Gases	94,100		
0.9 Dry Cargoes and Containers	237,100		
2.10 TC and Institutional Development	246,300		
2.11 Maritime and Port Security	236,400		
2.12 Flag and Port State Matters	231,900		
2.13 Special Safety Initiatives	45,500	3,130,300	13.2%
3 Marine Environment Protection			
0.1 Direction and Management	290,700		
0.2 Pollution Prevention	489,200		
0.3 Pollution Preparedness and Response (OPRC Convention and OPRC-HNS Protocol)	248,400		
0.4 Management of Waste Disposal at Sea	211,100		
0.5 Ballast Water Management	161,900		
0.6 Co-operation with UN Agencies on ocean governance including GESAMP	180,300		
0.7 Technical Co-operation and Institutional Development	306,400	1,888,000	8.0%
4 Legal Affairs			
0.1 Direction and Management	372,500		
0.2 Legal Affairs	380,600		
0.3 Technical Co-operation and Institutional Development	51,300	804,400	3.4%
5 Facilitation of Maritime Traffic			
0.1 Direction and Management	-		
0.2 Amendments to & implementation of FAL	99,200		
0.3 Technical Co-operation and Institutional Development	59,900		
0.4 Ship/port interface	31,900	191,000	0.8%
6 TC and Institutional Development			
0.1 Direction and Management	277,600		
0.2 Regional Africa	129,700		
0.3 Regional Arab and Francophone	101,300		
0.4 Regional Asia and Pacific	158,200		
0.5 Regional CIS/Eastern Europe	154,300		
0.6 Regional Latin America and Caribbean	81,000		
0.7 Global	77,000		
0.8 Implementation	241,900		
0.9 Programme and Performance Management	231,200	1,452,200	6.1%
7 Conference Services			
0.1 Direction and Management	240,000		
0.2 Translation Services I/	3,221,700		
0.3 Word Processing Services	1,024,200		
0.4 Conference Services	311,800		
0.5 Document Services	552,800	5,350,500	22.6%
8 Administrative Services			
0.1 Direction and Management	204,000		
0.2 Financial Services	779,000		
0.3 Personnel Services	727,100		
0.4 Facilities Management	1,030,400		
0.5 Management Accounting Services	205,900	2,946,400	12.5%
9 External Relations and Information Services			
0.1 Direction and Management	249,900		
0.2 External Relations	276,600		
0.3 Information Services	401,100	927,600	3.9%
11 Information Technology	817,500	817,500	3.5%
12 Publication	1,119,000	1,119,000	4.7%
Total estimated direct costs		19,443,800	82.2%
Capital investment programme		300,000	1.3%
General Operating Expenses and Headquarters Premises		4,106,100	17.4%
Estimated staff turnover		(200,000)	-0.8%
Total proposed appropriation		23,649,900	100.0%
Less:			
100% of the direct and indirect costs recovered for printing activities from the Printing Fund		(1,554,600)	-6.6%
Transfer from the Printing Fund		-	
Reimbursement of Technical Co-operation support costs		(400,000)	-1.7%
Miscellaneous Income		(100,000)	-0.4%
Net to be Assessed		21,595,300	91.3%

**WORK PROGRAMME AND PROGRAMME BUDGETS FOR THE
TWENTY-THIRD FINANCIAL PERIOD 2004-2005 BIENNIUM**

Programmes	YEAR 2005 PROGRAMME ESTIMATES		%
	Direct cost	Total	
1 General policy and direction			
0.1 Governance (Council, Assembly)	284,200		
0.2 Office of the Secretary-General	430,600		
0.3 Internal oversight	282,900	997,700	3.9%
2 Maritime Safety			
0.1 Direction and Management	661,600		
0.2 Training and Human Element Matters	455,900		
0.3 Stability, Load Lines and Fishing Vessels Safety	190,900		
0.4 Ship Design and Equipment	184,000		
0.5 Fire Protection	154,700		
0.6 Radio Communications and Search and Rescue	234,000		
0.7 Navigational Operations and Equipment	262,300		
0.8 Bulk Liquid and Gases	144,100		
0.9 Dry Cargoes and Containers	240,000		
2.10 TC and Institutional Development	256,700		
2.11 Maritime and Port Security	242,300		
2.12 Flag and Port State Matters	243,400		
2.13 Special Safety Initiatives	174,900	3,444,800	13.6%
3 Marine Environment Protection			
0.1 Direction and Management	238,600		
0.2 Pollution Prevention	579,800		
0.3 Pollution Preparedness and Response (OPRC Convention and OPRC-HNS Protocol)	324,100		
0.4 Management of Waste Disposal at Sea	215,600		
0.5 Ballast Water Management	132,400		
0.6 Co-operation with UN Agencies on ocean governance including GESAMP	184,400		
0.7 Technical Co-operation and Institutional Development	345,400	2,020,300	8.0%
4 Legal Affairs			
0.1 Direction and Management	379,200		
0.2 Legal Affairs	395,200		
0.3 Technical Co-operation and Institutional Development	51,300	825,700	3.3%
5 Facilitation of Maritime Traffic			
0.1 Direction and Management	-		
0.2 Amendments to & implementation of FAL	100,000		
0.3 Technical Co-operation and Institutional Development	58,400		
0.4 Ship/port interface	32,300	190,700	0.8%
6 TC and Institutional Development			
0.1 Direction and Management	319,300		
0.2 Regional Africa	131,200		
0.3 Regional Arab and Francophone	135,900		
0.4 Regional Asia and Pacific	161,500		
0.5 Regional CIS/Eastern Europe	155,000		
0.6 Regional Latin America and Caribbean	149,400		
0.7 Global	112,000		
0.8 Implementation	272,400		
0.9 Programme and Performance Management	239,100	1,675,800	6.6%
7 Conference Services			
0.1 Direction and Management	243,500		
0.2 Translation Services I/	3,444,800		
0.3 Word Processing Services	1,113,200		
0.4 Conference Services	429,000		
0.5 Document Services	573,700	5,804,200	22.9%
8 Administrative Services			
0.1 Direction and Management	208,200		
0.2 Financial Services	808,800		
0.3 Personnel Services	747,600		
0.4 Facilities Management	1,076,600		
0.7 Management Accounting Services	215,900	3,057,100	12.0%
9 External Relations and Information Services			
0.1 Direction and Management	252,100		
0.2 External Relations	312,700		
0.3 Information Services	415,700	980,500	3.9%
11 Information Technology	925,700	925,700	3.6%
12 Publication	1,170,100	1,170,100	4.6%
Total estimated direct costs		21,092,600	83.0%
Capital investment programme		300,000	1.2%
General Operating Expenses and Headquarters Premises		4,208,000	16.6%
Estimated staff turnover		(200,000)	-0.8%
Total proposed appropriation		25,400,600	100.0%
Less: 100% of the direct and indirect costs recovered for printing activities from the Printing Fund		(1,613,200)	-6.4%
Transfer from the Printing Fund		-	
Reimbursement of Technical Co-operation support costs		(400,000)	-1.6%
Miscellaneous Income		(100,000)	-0.4%
Net to be Assessed		23,287,400	91.7%

**WORK PROGRAMME AND PROGRAMME BUDGETS
2004-2005 BIENNIUM OVER 2002-2003 BIENNIUM**

Programmes	2002-2003	2004-2005	Change	
	£		£	%
1 General policy and direction				
0.1 Governance (Council, Assembly)	334,800	398,800	64,000	19.1%
0.2 Office of the Secretary-General	790,400	851,400	61,000	7.7%
0.3 Internal oversight	412,700	564,400	151,700	36.8%
2 Maritime Safety				
0.1 Direction and Management	635,100	1,365,900	730,800	115.1%
0.2 Training and Human Element Matters	845,800	906,500	60,700	7.2%
0.3 Stability, Load Lines and Fishing Vessels Safety	227,000	359,900	132,900	58.5%
0.4 Ship Design and Equipment	287,200	321,200	34,000	11.8%
0.5 Fire Protection	378,200	257,200	(121,000)	-32.0%
0.6 Radio Communications and Search and Rescue	529,400	462,600	(66,800)	-12.6%
0.7 Navigational Operations and Equipment	560,000	509,100	(50,900)	-9.1%
0.8 Bulk Liquid and Gases	135,800	238,200	102,400	75.4%
0.9 Dry Cargoes and Containers	348,500	477,100	128,600	36.9%
2.10 TC and Institutional Development	451,400	503,000	51,600	11.4%
2.11 Maritime and Port Security	222,400	478,700	256,300	115.2%
2.12 Flag and Port State Matters	439,500	475,300	35,800	8.1%
2.13 Special Safety Initiatives	299,400	220,400	(79,000)	-26.4%
3 Marine Environment Protection				
0.1 Direction and Management	584,400	529,300	(55,100)	-9.4%
0.2 Pollution Prevention	1,104,200	1,069,000	(35,200)	-3.2%
0.3 Pollution Preparedness and Response (OPRC Convention and OPRC-HNS Protocol)	591,500	572,500	(19,000)	-3.2%
0.4 Management of Waste Disposal at Sea	322,800	426,700	103,900	32.2%
0.5 Ballast Water Management	252,400	294,300	41,900	16.6%
0.6 Co-operation with UN Agencies on ocean governance including GESAMP	287,500	364,700	77,200	26.9%
0.7 Technical Co-operation and Institutional Development	307,500	651,800	344,300	112.0%
4 Legal Affairs				
0.1 Direction and Management	388,500	751,700	363,200	93.5%
0.2 Legal Affairs	956,400	775,800	-180,600	-18.9%
0.3 Technical Co-operation and Institutional Development	158,100	102,600	-55,500	-35.1%
5 Facilitation of Maritime Traffic				
0.1 Direction and Management	-	-	0	
0.2 Amendments to & implementation of FAL	209,000	199,200	-9,800	-4.7%
0.3 Technical Co-operation and Institutional Development	125,200	118,300	-6,900	-5.5%
0.4 Ship/port interface	67,900	64,200	-3,700	-5.4%
6 TC and Institutional Development				
0.1 Direction and Management	471,700	596,900	125,200	26.5%
0.2 Regional Africa	247,200	260,900	13,700	5.5%
0.3 Regional Arab and Francophone	217,700	237,200	19,500	9.0%
0.4 Regional Asia and Pacific	227,600	319,700	92,100	40.5%
0.5 Regional CIS/Eastern Europe	207,800	309,300	101,500	48.8%
0.6 Regional Latin America and Caribbean	178,300	230,400	52,100	29.2%
0.7 Global	212,500	189,000	-23,500	-11.1%
0.8 Implementation	312,200	514,300	202,100	64.7%
0.9 Programme and Performance Management	369,400	470,300	100,900	27.3%
7 Conference Services				
0.1 Direction and Management	415,300	483,500	68,200	16.4%
0.2 Translation Services 1/	6,273,600	6,666,500	392,900	6.3%
0.3 Word Processing Services	1,903,900	2,137,400	233,500	12.3%
0.4 Conference Services	665,900	740,800	74,900	11.2%
0.5 Document Services	1,013,000	1,126,500	113,500	11.2%
8 Administrative Services				
0.1 Direction and Management	354,600	412,200	57,600	16.2%
0.2 Financial Services	1,575,300	1,587,800	12,500	0.8%
0.3 Personnel Services	1,314,400	1,474,700	160,300	12.2%
0.4 Facilities Management	1,628,500	2,107,000	478,500	29.4%
0.7 Management Accounting Services	339,800	421,800	82,000	24.1%
9 External Relations and Information Services				
0.1 Direction and Management	142,000	502,000	360,000	253.5%
0.2 External Relations	694,800	589,300	(105,500)	-15.2%
0.3 Information Services	832,700	816,800	(15,900)	-1.9%
10 Information Technology	1,168,500	1,743,200	574,700	49.2%
11 Publication	1,955,800	2,289,100	333,300	17.0%
	34,975,500	40,536,400	5,560,900	15.9%
Capital investment programme		600,000	600,000	100.0%
12 General Operating Expenses and Headquarters Premises	7,513,600	8,314,100	800,500	10.7%
Estimated staff turnover	(272,000)	(400,000)	(128,000)	47.1%
Total proposed appropriation	42,217,100	49,050,500	6,833,400	16.2%
Less:				
Indirect costs recovered for printing activities from the Printing Fund	(1,622,800)	(3,167,800)	(1,545,000)	95.2%
Transfer from the Printing Fund	(800,000)	-	800,000	-100.0%
Reimbursement of Technical Co-operation support costs	(674,200)	(800,000)	(125,800)	18.7%
Miscellaneous Income	(400,000)	(200,000)	200,000	-50.0%
Transfer from the accumulated reserves	(389,000)	-	389,000	-100.0%
Net to be Assessed	38,331,100	44,882,700	6,551,600	17.1%

STAFF ESTABLISHMENT BY DIVISION: 2002-2003 AND 2004-2005										
	Approved posts for 2002-2003 biennium ¹					Proposed posts for 2004-2005 biennium				
Source of funding	Regular budget		Printing Fund		Total	Regular Budget		Printing Fund		Total
Division	Prof. and higher categories	General Service category	Prof. and higher categories	General Service category		Prof. and higher categories	General Service category	Prof. and higher categories	General Service category	
Office of the Secretary-General	6	4	-	-	10	6	4	-	-	10
Maritime Safety Division	22	14	1	-	37	24	16	1	-	41
Marine Environment Division	13	5	-	-	18	15	7	-	-	22
Legal Affairs and External Relations Division	13	10	-	-	23	13	11	-	-	24
Administrative Division ²	25	61	3	17	106	26	63	3	17	109
Conference Division	42	48	2	2	94	43	51	2	2	98
Technical Co-operation Division	8	10	-	-	18	11	12	-	-	23
TOTALS	129	152	6	19	306	138	164	6	19	327

¹ Includes upgradings and transfers during biennium

² Totals exclude one Professional (Catering Manager) and 11 General Service (ten Cafeteria and one Building Management) fixed term positions.

Staff Establishment by Division 2004-2005 biennium

Budgeted Posts - Regular Budget

	A		B		C		(A+B+C)	
	Established posts		Non-Established positions		Additional resource requirements from 2005		Budgeted posts	
	Prof. and higher categories	General Service category	Prof. and higher categories	General Service category	Prof. and higher categories	General Service category	Prof. and higher categories	General Service category
Regular budget								
Office of the Secretary-General	6	4	-	-	-	-	1/ 5	4
Maritime Safety	22	14	-	2	2	2	24	18
Marine Environment	13	5	-	3	2	2	15	10
Legal Affairs and External Relations	13	10	-	-	-	1	13	11
Administrative	25	61	1	11	1	2	27	74
Conference	42	48	-	-	1	3	43	51
Technical Co-operation	8	10	-	1	3	2	11	13
Total	129	152	1	17	9	12	138	181

Summary

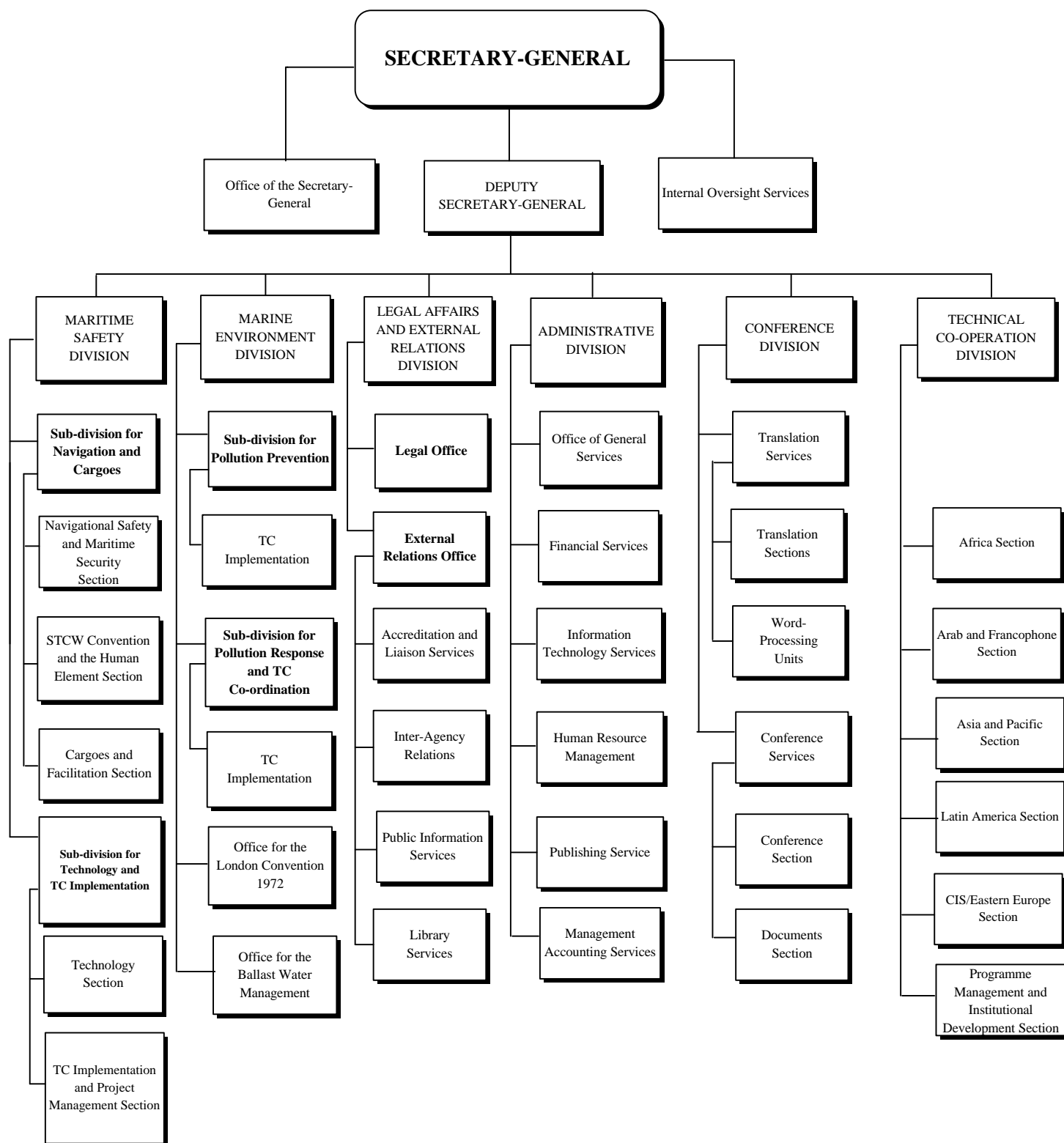
	Complement	Additonal	Total
Regular budget established posts:	281	21	302
Printing Fund	25	-	25
Non-established positions	18		18
Total	324	21	345

1/ exclude Deputy Secretary-General

ANNEX 7

INTERNATIONAL MARITIME ORGANIZATION

Organizational Chart



ANNEX 8

Printing and publication activity
Estimated revenue and expenditure from 2002 to 2005

	£ Actual 2002	£ Estimates 2003	£ Estimates 2004	£ Estimates 2005
Revenue	5,359,158	4,935,400	5,191,000	5,196,700
Less: expenditure/transfers to other funds				
DNV-IMO/Vega Database	63,626	70,500	67,500	69,500
IMO Model Courses	116,420	129,900	123,500	127,200
Promotion of sales	117,327	112,700	125,000	135,000
Personnel				
Financed by the Printing Fund	1,085,618	1,204,900	1,242,800	1,306,800
Reimbursement of the regular budget direct costs	555,500	568,300	1,138,300	1,190,600
Goods and services				
Office reproduction supplies and paper	317,967	300,000	358,000	302,000
Equipment	89,492	174,100	185,000	206,000
Postage, freight and courier	158,146	180,000	190,000	200,000
Other supplies & services	151,281	187,400	231,000	247,500
Contracting out (external printing)	534,991	353,300	485,000	455,000
Electronic/on line publications	48,517	101,200	120,000	140,000
Reimbursement of the regular budget indirect costs	247,400	251,600	416,300	422,600
Total expenditure	3,486,285	3,633,900	4,682,400	4,802,200
Net trading income	1,872,873	1,301,500	508,600	394,500
Reserves & fund balances				
Interest and miscellaneous income	108,825	110,000	100,000	100,000
Net income	1,981,698	1,411,500	608,600	494,500
Accumulated surplus bought forward	7,048,382	2,680,080	1,441,580	1,100,180
Total surplus	9,030,080	4,091,580	2,050,180	1,594,680
Transfers				
Regular Budget	400,000	400,000	-	-
Training and Development Fund	200,000	-	-	-
Headquarters Capital Fund	700,000	-	250,000	250,000
Technical Co-operation Fund	5,050,000	2,250,000	700,000	700,000
Total transfers	6,350,000	2,650,000	950,000	950,000
Working capital reserves & fund balances (net)	2,680,080	1,441,580	1,100,180	644,680