



COUNCIL
89th session
Agenda item 19(d)

C 89/19(d)/Add.2
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RESOURCE MANAGEMENT

(d) Work Programme and budget prospects for 2002

Note by the Secretary-General

SUMMARY

Executive summary: This document updates the information on the status of fund under the Headquarters Capital Fund to finance the acquisition and the implementation of a new Enterprise Resource Planning system.

Action to be taken: Paragraph 2

Related documents: C 88/18(e), C 88/18(d)/Add.1 and Add.2

1 Introduction

1.1 The Secretary-General's preliminary assessment of the status of funds under the Headquarters Capital Fund and Training and Development Fund for 2002 was presented in document C 89/19(d)/Add.1.

Headquarters Capital Fund

1.2 This document updates the information provided on the status of the funds under the Headquarters Capital Fund, which was presented to the Council in Annex 3 of document C 89/19(d). The table now set out in Annex to this document provides up-to-date information on the capital investment programme during 2000 to 2002 and the indicative plan for 2003. Not all of the demands will actually materialize in 2003 and the programme will have to be set to match the resource available.

1.3 For the purpose of strategic planning in investments and also taking into account the unforeseen and unbudgeted demands in 2003, which the Secretary-General has noted in document C 89/20/Add.1, the Secretary-General now seeks the Council's endorsement to transfer £2.9 million from the balance as at 31 December 2002 of the Organization's accumulated reserves to the Headquarters Capital Fund.

1.4 Council may wish to note that actual cash surplus available at the Organization's bank as at 31 December 2002 is forecast to total £2.9 million, approximately. Taking into account some cash reserves required for the payroll and other operational costs of the Organization,

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the transfer of £2.9 million to the Headquarters Capital Fund will be carried out in stages in order to match the available cash position during 2003.

2 Action requested of the Council

2.1 The Council is invited to take note of the information contained in this document.

ANNEX

Headquarters Capital Fund

Work Programme 2000 - 2003

(expressed in sterling pounds)

Description	2000	2001	2002		2003		
Balance brought forward	1,418,948	1,163,216		1,115,079		940,944	
Transfers from General Fund cash surplus	511,173	502,150		1,247,605		2,980,000	
Balance available	1,930,121	1,665,366		2,362,684		3,920,944	
Less: expenditure			Actual	Planned	Out-turn	Planned	Indicative
Capital and implementation costs ERP system	-	-	-	-	-	-	1,902,000
Major building repairs:	1/ 68,860	115,032	166,000	483,595	86,000	430,000	
Replacement of furniture and equipment	67,554	88,974	85,000	63,822	40,000	280,000	
Improving information technology	482,610	346,281	370,000	490,784	302,000	735,000	
Digital printing equipment - <i>IMO documentation</i>	2/ 127,194	-	-	-	-	600,000	
Interpretation system	20,687	-	-	-	-	-	
Consultancy (Review of financial/administrative processes)	-	-	-	383,539	-	-	
	766,905	550,287	621,000	1,421,740	428,000	3,947,000	
Balance carried forward	1,163,216	1,115,079		940,944		(26,056)	

1/ 20% IMO share balance being financed by UK Government

2/ Final instalment under the lease purchase agreement

Resource transfers/others	2000	2001	2002		2003	
General Fund cash surplus	400,000	400,000		500,000		2,900,000
Printing Fund cash surplus				700,000		
Interest on investment of funds actual/estimates	105,081	81,856		43,000		80,000
Savings on prior periods obligations	6,092	20,294		4,605		
	511,173	502,150		1,247,605		2,980,000