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**PROGRAMME BUDGET
FOR THE TWENTY-FIFTH FINANCIAL PERIOD 2008-2009:
DEVELOPMENTS SINCE THE NINETY-EIGHTH SESSION OF THE COUNCIL**

Note by the Secretary-General

SUMMARY

Executive summary: This document presents the Secretary-General's revised proposals for the Programme Budget for 2008-2009, adjusted in the light of the Council's discussion at its ninety-eighth session and should, therefore, be considered in conjunction with document C 98/6.

For the regular budget, the revised proposal represents year-on-year increases in **appropriation of 5.4% for 2008 and 3.9% for 2009**, and in **assessment of 3.6% and 4.1%, respectively for 2008 and 2009**. The revised proposal represents a biennial reduction of 4 percentage points in appropriation and 4.3 percentage points in assessment when compared with the proposals considered at the Council's ninety-eighth session.

The proposed appropriation effectively reflects only the pay and price changes which were provided in document C 98/6 and, therefore, corresponds to zero real growth in the 2008-2009 budget.

This document also sets out a longer-term (to 2013) financial requirement projection for the Organization's major Funds (namely, the Printing Fund, the Headquarters Capital Fund, the Termination Benefit Fund, the Training and Development Fund and the Technical Co-operation Fund) with the aim to provide some measure of sustainability of the Organization's individual Fund programmes.

Action to be taken: Paragraph 50

Related documents: C 98/D, C 98/6 and C/ES.24/5(d)

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OVERVIEW

COUNCIL'S CONSIDERATION OF DOCUMENT C 98/6

1 At its ninety-eighth session in June 2007, the Council considered the Secretary-General's proposed programme budget for the twenty-fifth financial period 2008-2009, as set out in document C 98/6. The Council expressed appreciation for the clear, transparent, user-friendly and thorough document, which had attempted to align the programme budget with the work programme in support of the Organization's Strategic Plan and commended the Secretary-General for presenting proposals, which recognized the need for prudence; for his efforts to secure efficiencies and economies in operation; and for the clarity in explaining the document and providing answers to questions raised by Members.

2 Following an extensive exchange of views, the Council, having decided to defer a decision on the 2008-2009 biennium budget (in view of concerns expressed by some Members on the level of the proposed increase), when compared with their national budgetary limitations, requested the Secretary-General to review the proposed budget with a view to identifying possible savings and efficiency gains, without hampering the delivery of the planned outputs in the Strategic Plan; and to present his revised proposals to its twenty-fourth extraordinary session for further consideration.

MAIN CONSIDERATION IN FORMULATING THE REVISED BUDGET PROPOSAL

3 In drawing up his adjusted proposals for 2008-2009 (which comprises both the consolidation of work-in-progress and new challenges), the Secretary-General has aimed at finely balancing the challenges ahead to ensure that the Organization's work programme and the corresponding allocation of resources for the next biennium is in line with, and supports, the Organization's Strategic Plan. In doing so, he has had very much in mind that opportunities for economy should be seized through changed ways of doing business and by organizational reforms, which have been facilitated by the refurbishment of the Headquarters premises and investments in IT, but, at the same time, he has been concerned to secure the Organization's financial resilience without overstating the capacity for making real and durable savings.

4 The essential point to note is that the Secretary-General has revised the proposed regular budget on the basis of **zero real growth**, that is, reflecting pay and price increases of 9.5% for the next biennium, as indicated in document C 98/6, and taking into account the Membership's public expenditure constraints. For the Organization's various Funds, a longer-term projection of the financial requirements has been made to provide some measure of sustainability of individual Fund programmes.

5 The work and resource allocation of the Organization has also to be seen in the wider context of the international agenda set by the United Nations Common System. Among other items to be taken into account here are the impact of prospective changes in staff remuneration levels set by the International Civil Service Commission (ICSC) based on any inflationary changes in the United Kingdom economy and of exchange rate movements between the United Kingdom pound sterling and the United States dollar; the harmonized introduction of the International Public Sector Accounting Standards (IPSAS); and implementing the Millennium Development Goals (MDGs) through the Organization's Integrated Technical Co-operation Programme (ITCP).

SUMMARY OF THE REVISED PROGRAMME BUDGET PROPOSAL

Regular budget

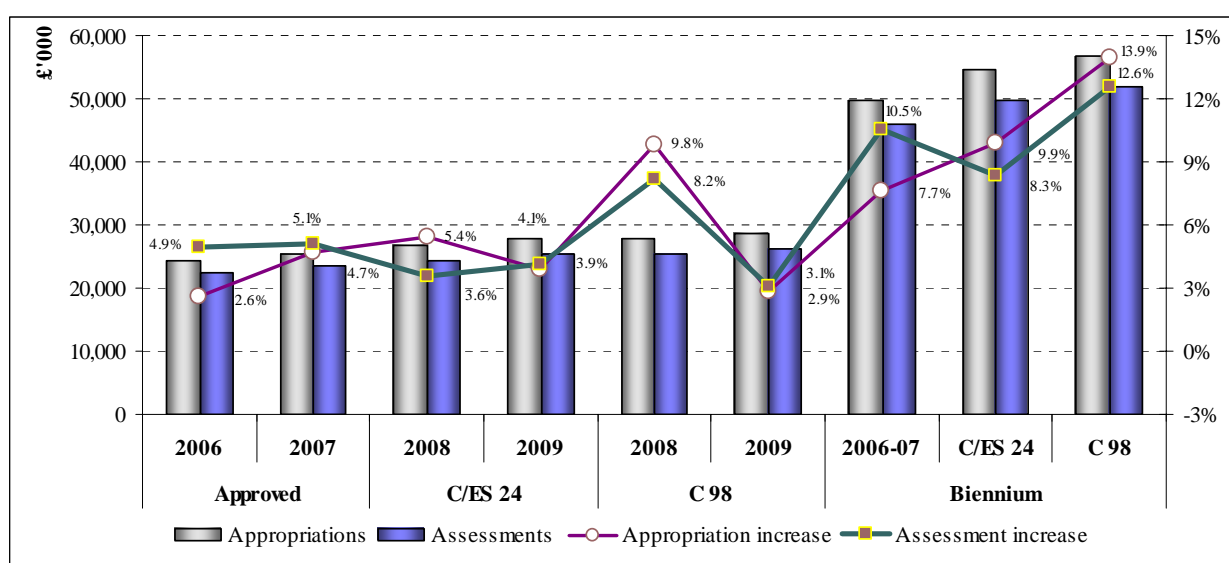
6 A summary of the Secretary-General's revised proposal for the regular budget appropriation and assessment for the 2008-2009 biennium is given at Table 1 and includes a comparison with his initial proposal contained in document C 98/6. The revised proposal represents year-on-year increases in appropriation of 5.4% for 2008 and 3.9% for 2009, and in assessment of 3.6% and 4.1%, respectively for 2008 and 2009. The revision denotes a biennial reduction of 4 percentage points in appropriation and 4.3 percentage points in assessment when compared with the proposed increases considered by the Council at its ninety-eighth session. Chart 1 illustrates the changes in graphical format.

Table 1
Summary of the revised appropriation and assessment for 2008-2009
compared with the proposal contained in document C 98/6

	Approved £'000		Proposed C/ES 24 £'000		Biennium total £'000		Proposed C 98 £'000		
	2006	2007	2008	2009	2006-07	2008-09	2008	2009	2008-09
Appropriations* (a)	24,298.3	25,432.0	26,817.2	27,851.7	49,730.3	54,668.9	27,922.5	28,723.3	56,645.8
Changes over previous year/biennium (%)	2.6%	4.7%	5.4%	3.9%	7.7%	9.9%	9.8%	2.9%	13.9%
Other income, reimbursements	1,879.2	1,863.8	2,408.0	2,433.9	3,743.0	4,841.9	2,422.8	2,441.7	4,864.5
Changes over previous year/biennium (%)	-19.0%	-0.8%	29.2%	1.1%	-18.3%	29.4%	30.0%	0.8%	30.0%
Assessments (c=a-b)	22,419.1	23,568.2	24,409.2	25,417.8	45,987.3	49,827.0	25,499.7	26,281.6	51,781.3
Changes over previous year/biennium (%)	4.9%	5.1%	3.6%	4.1%	10.5%	8.3%	8.2%	3.1%	12.6%

* Taken into account of staff turnover of £200k per annum

Chart 1
Proposed changes in the appropriation and assessment for 2008-2009



Budgetary/administrative Funds

7 The proposals for the regular budget should also be considered in association with the Secretary-General's revised proposals for the Organization's budgetary/administrative Funds, which are shown in Table 2. Changes in forecast expenditure are made in the Printing Fund and the Termination Benefit Fund while the proposed expenditure budgets in the Headquarters Capital Fund and the Training and Development Fund remain as presented to the Council at its ninety-eighth session. The future funding for the Technical Co-operation Fund is separately considered in paragraph 39 below.

Table 2
Summary of expenditure budgets for the Organization's Funds
compared with those contained in document C 98/6

	Approved £'000		Proposal C/ES 24 £'000		Biennium total £'000		Proposal C 98 £'000		
	2006	2007	2008	2009	2006-07	2008-09	2008	2009	2008-09
Printing Fund	3,904.8	4,011.8	4,086.4	4,260.6	7,916.6	8,347.0	4,031.7	4,189.3	8,221.0
Changes over previous year/biennium (%)	-15.9%	2.7%	1.9%	4.3%	-13.7%	5.4%	0.5%	3.9%	3.8%
Headquarters Capital Fund	1,245.7	1,262.4	2,742.7	1,561.6	2,508.1	4,304.3	2,742.7	1,561.6	4,304.3
Changes over previous year/biennium (%)	7.6%	1.3%	117.3%	-43.1%	-26.3%	71.6%	117.3%	-43.1%	71.6%
Termination Benefit Fund	488.3	142.1	777.6	690.8	630.4	1,468.4	374.6	275.8	650.4
Changes over previous year/biennium (%)	115.6%	-70.9%	447.2%	-11.2%	42.0%	132.9%	163.6%	-26.4%	3.2%
Training and Development Fund	66.0	66.0	97.8	91.6	132.0	189.4	97.8	91.6	189.4
Changes over previous year/biennium (%)	-65.8%	0.0%	48.2%	-6.3%	-64.9%	43.5%	48.2%	-6.3%	43.5%
TOTAL	5,704.8	5,482.3	7,704.5	6,604.6	11,187.1	14,309.1	7,246.8	6,118.3	13,365.1
Changes over previous year/biennium (%)	-8.3%	-3.9%	40.5%	-14.3%	-16.5%	27.9%	32.2%	-15.6%	19.5%

REVISED PROPOSAL FOR THE REGULAR BUDGET

REVIEW OF PAY AND PRICE FACTORS AND BUDGETARY ASSUMPTIONS

8 As the Organization's overall costs continue to be affected by external pay and price factors in the United Kingdom economy, as well as by changes to the remuneration levels of staff (as recommended by the International Civil Service Commission (ICSC) and approved by the General Assembly of the United Nations), the Secretary-General has reviewed these factors in light of the changed situation since his initial proposal to C 98.

Rates of inflation and average earnings in the United Kingdom economy

9 The initial programme budget proposals for the biennium 2008-2009 took into account forecast movements of the economic indices in the United Kingdom economy as well as currency fluctuations. The forecast was based on the actual economic indicators available at the time of the budget formulation. A comparison of the further actual movements, since the development of the initial budget proposal, is presented in Table 3 and also illustrated in Chart 2 to show the trend in the indicators.

Table 3
Comparison of budgetary assumption indicators

	2006-2007 Assumption	Actual (01/2006-07/2007)		C/ES 24 Assumption	C 98	
		Average	Range		Average	Assump.
UK Average Earnings Index(AEI) ^{1/}	4.2	3.7	3.4 ~ 4.0	3.5	3.7	3.5
UK Average Retail Price Index(RPI) ^{2/}	2.0	3.6	2.4 ~ 4.8	3.0	3.5	3.0
USD/GBP exchange rate ^{3/}	1.75	1.89	1.72 ~ 2.004	1.97	1.86	1.82

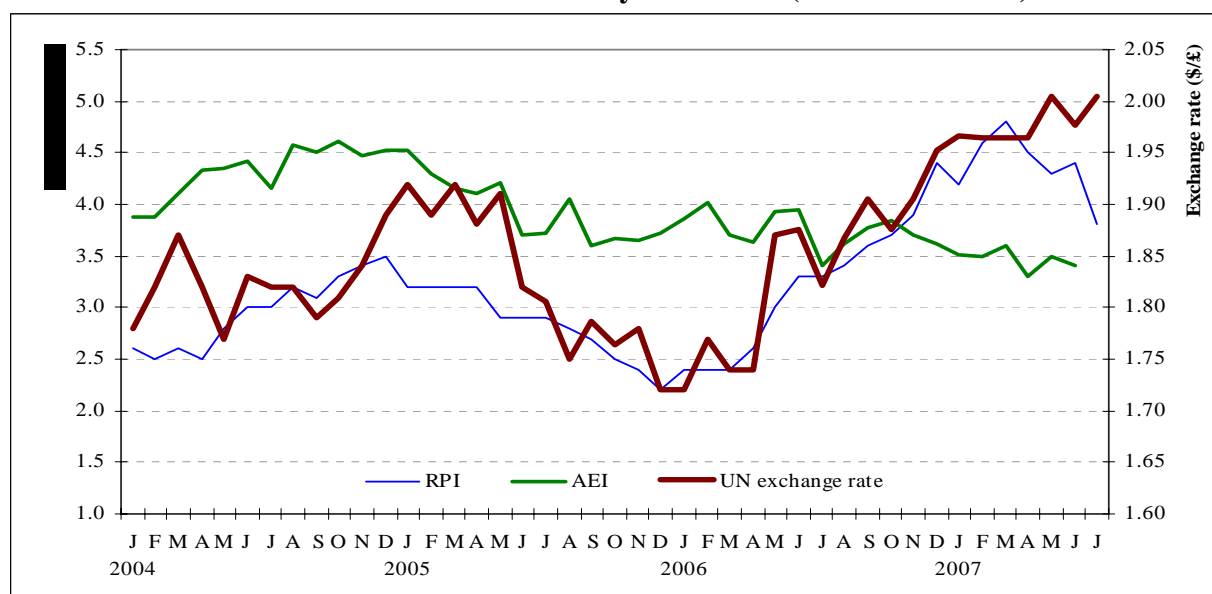
1/ 12-month percentage change of regular pay (excluding bonuses) *: average figure to February 2007 (C 98) and to June (C/ES 24)

2/ Annual inflation rate - 12-month percentage change *: average figure up to March 2007 (C 98) and to July (C/ES 24)

3/ United Nations operational exchange rates (1GBP expressed in USD) : average figure to March (C 98) and to July 2007 (C/ES 24)

* Source of AEI and RPI: UK Office for National Statistics (AEI and RPI are updated monthly)

Chart 2
Movements of the UK economy indicators (01/2004-07/2007)



10 As can be seen from Chart 2, the changes in annual inflation rate in the United Kingdom's Retail Price Index (RPI) and the United Kingdom's Average Earnings Index (AEI) since C 98 have remained within the previous range of movements, so the same assumptions have been used in the revised budget proposals. The UN operational US dollar exchange rate against the pound sterling averaged 1.89 during the period January 2006 to July 2007, representing a further depreciation in the dollar currency of 1.6% since C 98 and this has been reflected in a revised assumption set at 1.97, the lowest level seen in 2007.

11 The impact of the revised exchange rate assumption is to reduce the initially proposed budget by **£498.3k**, in particular, in respect of pension contributions, representing a one percentage point reduction in the 13.9% biennial increase proposed in document C 98/6. However, a cautionary note should be expressed that, if the actual movements of the exchange rate deviates significantly from the budgetary assumption and the resultant impact on the Organization's expenditure cannot be absorbed from the approved appropriation for the 2008-2009 biennium, the Secretary-General may need to seek a supplementary budget.

Staff costs reflecting the adjustment announced by the ICSC

12 The Organization's staff costs, which represent more than 70% of the Organization's regular budget, are essentially determined in accordance with the ICSC's common methodology. In the preparation of the budget proposal contained in document C 98/6, a prospective pay adjustment for 2007 was taken into account in recosting the staff costs base for the 2008-2009

biennium: namely, 2% salary increases for Professional staff and 3% for the General Service staff. However, the salary increase announced by the ICSC was, in effect, 1.4% for the Professional category and 1.24% for the General Service category. The impact of the lower than anticipated increases is expected to reduce the resource requirement for 2008-2009 by **£101.6k**, representing 0.2 percentage points of the 13.9% biennial increase proposed in document C 98/6.

REVIEW OF POTENTIAL EFFICIENCY SAVINGS

13 Table 4 displays the proposed budget changes to the main cost groups, other than Staff costs and Short-term assistance, following the Secretary-General’s careful review of the potential scope for further efficiency savings. Overall, a total of **£487.5k** of the originally proposed budget is set to be absorbed through efficiency savings, which represents 3.4% of the total relevant budget for Meetings, Mission travel, Headquarters premises and Other indirect costs, proposed in document C 98/6.

**Table 4
Efficiency savings sought by Object of expenditure**

	Approved £'000		Proposal C/ES 24* £'000		Biennium total £'000		Proposal C 98 £ '000	Efficiency savings (c=a-b)
	2006	2007	2008	2009	2006-07	2008-09 (a)		
Meetings	1,254.5	1,278.0	1,274.4	1,379.9	2,532.5	2,654.3	2,677.5	-23.2
Mission travel	315.1	323.3	336.7	353.6	638.4	690.3	752.4	-62.1
Headquarters premises	2,825.1	2,880.0	2,960.0	3,011.0	5,705.1	5,971.0	6,169.0	-198.0
Other indirect costs **	1,919.6	1,930.4	2,181.3	2,344.4	3,850.0	4,525.6	4,729.8	-204.2
Total	6,314.3	6,411.7	6,752.4	7,088.9	12,726.0	13,841.2	14,328.7	-487.5

* This proposal reflects efficiency savings only and does not include a proposed reduction in Programme changes which is described in ensuing paragraphs

** Excluding Capital investment programme

Review of the Meetings programme

14 The proposed budget for the Meetings programme in document C 98/6 was based on 41.8 meeting-weeks for the 2008-2009 biennium, which included, in the Technical Co-operation Committee meeting-weeks for 2008, a two-day meeting for “Delivering as One: UN collaboration on TC in the maritime sector”. This meeting is to be convened in response to the “Delivering as One” Report of the UN Secretary-General’s High-Level Panel on UN System-wide coherence. The cost of this meeting, estimated at **£23.2k**, was reflected under TC 58, as the ‘Delivering as One’ meeting is expected to be held back-to-back with TC 58. However, the Secretary-General has decided to consider this two-day meeting programme as an intersessional working group meeting, such that the cost of the meeting will be absorbed through the well organized and competent running of the regular programmes under the Major Programme 5 (International Meetings). The cost reduction in the meetings budget arising from the changes to the meeting-weeks is also referred to in paragraph 23 below.

Review of Mission travel

15 The proposed Mission travel budget for the 2008-2009 biennium represented an increase of £114.0k (17.9%) on the current biennium budget, which reflected not only general price increases (£13.9k) in air fares and fuel surcharges but also programme changes (£100.1k) to enlarge the scope for the Organization’s representation. In undertaking the review of the Organization’s Mission travel programme in the regular budget, the Secretary-General has maintained the view that increased attention should be given to inter-agency co-ordination to enable the Organization to play a full and effective part in the UN-wide initiatives. In order to make economies as well as achieve value for money in mission travel, rigorous efforts will be

made through forward mission planning; advance reservation; and use of restricted economy class tickets where appropriate, with the aim of achieving up to 50% reduction in travel costs to worldwide destinations. The proposed cut in Mission travel of **£62.1k**, shown in Table 4 above, reflects this consideration, which represents 54% of the proposed biennial increase in mission travel budgets of £114.0k in document C 98/6.

Review of Headquarters premises provision

16 The proposed provision for Headquarters premises was proposed at £6,169k for the forthcoming biennium, representing an increase of 8.1% (£463.9k) over the current biennium budget and reflecting only the price changes of 6.2% for 2008 and 1.7% for 2009. Major expenditure items in Headquarters premises are rents, rates, insurances, utilities and maintenance, including cleaning and security. The main drivers for the increase are energy costs, which alone account for 86% (£399.5k) of the increase. However, following the Council's approval for the extension of Phase 1 refurbishment works to include those planned for Phase 2, the introduction of energy efficient lighting and heating systems is expected to reduce energy costs. So an appropriate efficiency saving from the Phase 2 work has been included and estimated at **£198.0k**, which also takes into account an anticipated reduction in office re-configuration costs. Accordingly, the revised proposal for the Headquarters premises provision is now set at £5,971.0k.

Review of Other indirect costs

17 In Table 4 above, under the heading of Other indirect costs, were included office consumables and services (for example, hospitality, minor furniture and equipment, expendable supplies, communications, IT maintenance, library books/magazines, medical material and local transport); ancillary provision (such as after-service medical insurance premiums, jointly financed UN agencies, external audits, recruitment, public information and language courses), and catering. The projected sum of these costs (£4,729.8k) for 2008-2009 represented an increase of 22.9% (£879.8k) on the corresponding sum in the current biennium of £3,850.0k. As can be seen in Table 5 below, the increase arises mainly from three cost elements, namely, Catering, After-service medical insurance and Jointly-financed UN agencies; the increase in those three alone amounted to £820.6k (accounting for 93% of the total increase of £879.8k), the latter two are not controllable, because those costs are set by external factors (the growing number of retired staff members to continue participating in the Organization's health scheme and the expansion of the UN security costs to be shared across the UN agencies). Most of the proposed increase in Catering simply reflected estimated provision of food material supply required in full operation of the Organization's cafeteria following the return to the Headquarters building.

Table 5
Major costs increase in Other indirect costs proposed in document C 98/6

	Approved £'000		Proposal C 98 £'000		Biennium total £'000		Biennial changes in proposal C 98	
	2006	2007	2008	2009	2006-07 (a)	2008-09 (b)	£ '000 (c= b-a)	% (d=c/a)
Catering	442.9	404.1	567.1	693.7	847.0	1,260.8	413.8	48.9%
After-service medical insurance	263.9	271.8	418.1	418.1	535.7	836.2	300.5	56.1%
Jointly financed UN agencies	66.8	72.6	119.6	126.1	139.4	245.7	106.3	76.3%
Other general operating expenses	1,146.0	1,181.9	1,178.3	1,208.8	2327.9	2,387.1	59.2	2.5%
Total other indirect costs	1,919.6	1,930.4	2,283.1	2,446.7	3,850.0	4,729.8	879.8	22.9%

18 The situation gives little room for the Secretary-General to seek further cuts in the proposed expenditure in Other indirect costs. Nevertheless, he has decided to pursue considerable efficiency savings in Other indirect costs, set at nearly a quarter (which amount to **£204.2k** as can be seen in Table 4 above) of the proposed increase in document C 98/6. In addition to a small saving (£43.0k) derived from Other general operating expenses, main savings (£161.2k) are expected to come from Catering through the steady improvement in the overall management of, in particular, catering personnel.

Review of Short-term assistance requirements

19 The proposal for the Short-term assistance budget included Overtime work, Temporary assistance and Consultancy, and represented an overall increase of 4.2% on the current biennium total. However, as the breakdown shown in Table 6 below indicates, the provision for Overtime and Temporary assistance had been proposed at a reduced level to envisage efficiency savings during the 2008-2009 biennium. The proposed increase in Consultancy provision was to programme the costs of the Organization's part-time medical consultant and also to provide support in undertaking the Marine environment programme through the development of a regional strategy for preparedness and response for the Caspian Sea, East Asian Seas and Black Sea; contribution to the development of the UN Atlas of the Oceans; continued development of a database for the IBC Code; and monitoring of a worldwide average of sulphur content of residual fuel oils. The Secretary-General's review of these consultancy requirements has revealed that a total of **£12.6k** needs to be **added** to the already proposed provision for the 2008-2009 biennium and the revised budget for Short-term assistance is set at £1,305.3k.

Table 6
Short-term assistance expenditure proposed in document C 98/6

	Approved £'000		Proposal C 98 £'000		Biennium total £'000		Biennial changes in proposal C 98	
	2006	2007	2008	2009	2006-07 (a)	2008-09 (b)	£ '000 (c= b-a)	% (d=c/a)
Overtime/night differential	162.3	163.7	155.7	161.0	326.0	316.7	-9.3	-2.9%
Temporary assistance	345.2	346.2	304.3	314.9	691.4	619.2	-72.2	-10.4%
Consultancy	90.8	132.9	188.2	168.6	223.7	356.8	133.1	59.5%
Total Short-term assistance	598.3	642.8	648.2	644.5	1,241.1	1,292.7	51.6	4.2%

20 The Council will recall that, in respect of support for the work of the GESAMP/EHS Working Group, provision for the travel and accommodation expenses of the Group members are budgeted for in the 2006-2007 biennium. However, to find a long-term funding solution to sustain the work of the Group, consideration has been given to the introduction of a fee-based scheme for the Group's work by the Marine Environment Protection Committee (MEPC 56). MEPC 56 considered that it was inappropriate for the Organization to bear all the costs and that the most practical solution was for the costs to be split between the Organization and those cargo interests submitting products for evaluation, on the basis of a cost-sharing scheme. In this context, the Secretary-General will maintain the provision of £148k reflected in his 2008-2009 budget proposal for the support of GESAMP/EHS work.

REVIEW OF PROGRAMME CHANGES

21 In his original budget proposal for the 2008-2009 biennium, the Secretary-General included a provision of £2,180.6k to meet the programme changes for the forthcoming biennium, which represented a 4.4% increase over the current biennium budget approved at £49,730.3k. The Secretary-General has reassessed the programme changes in light of the Member States financial constraints and decided to make a downward adjustment to the originally proposed programmes, in particular, in IT, Meetings and Capital investment, which together provides a reduction of **£902.1k**, the detail of which is given at the following paragraphs.

Adjustment to the proposed new posts and recruitment timing

22 Following the review of the challenges and new demands over the coming biennium and subsequent years, the Secretary-General originally proposed an addition of four posts (three Professional and one General Service) to the existing complement, which were estimated to add £673.2k to the Organization's pay bill for the forthcoming biennium. The Secretary-General has now reduced the proposed posts to three (two Professional and one General Service) by cutting the Professional post proposed to enhance IT security. In addition, the recruitment to the proposed three posts is planned to take place in the second year of the forthcoming biennium. The proposed revision to the staff complement is provided in annex 4. The corresponding Organizational structure is illustrated in annex 5. The overall impact of this adjustment is estimated to reduce the staff costs by **£309.6k** from the proposed budget for the 2008-2009 biennium contained in document C 98/6.

Reduction in Meeting-weeks

23 The Meetings programme proposed in document C 98/6 for the 2008-2009 biennium amounted in total to 41.8 meeting-weeks, representing an increase of 0.2 meeting-weeks compared with the current biennium's 41.6 meeting-weeks. The difference was a two-day meeting for "Delivering as One: UN collaboration on TC in the maritime sector" reflected in the Technical Co-operation Committee meeting-weeks for 2008. As outlined in paragraph 14 above, the Secretary-General has decided to treat this meeting as an un-programmed meeting. The decision is reflected in the revised proposal for the meeting programmes which are reduced by 3.2 meeting-weeks to 38.4 for the 2008-2009 biennium, as shown in Table 7. The proposed reduction of 2 meeting-weeks in the Sub-Committee meetings programme was based on the Maritime Safety Committee's decision, at its eighty-second session, to give authority to the Secretary-General to reduce one or two Sub-Committee meeting-weeks if, for budgetary purposes, there is a need to make economies in his budget proposals for the biennium 2008-2009 (MSC 82/24, paragraph 21.67.3). The reduction of one meeting-week in the Legal Committee meetings programme for 2009 was proposed by the Secretary-General, at the Council's ninety-eighth session, in response to consideration of the rescheduling of the Legal Committee meeting programme in light of the reduction in current agenda items. The cost saving from this rescheduled meeting programme is estimated at **£172.5k**, which does not include £23.2k outlined in paragraph 14 above as an efficiency savings. The revised proposal of overall meeting-weeks, together with indication of relevant sessions, is summarized in annex 6.

Table 7
Revised Meeting-weeks compared with the proposal in document C 98/6

	Meeting-weeks ^{1/}			Revised proposal C/ES 24			Proposal C 98		
	2006	2007	2006-07	2008	2009	2008-09	2008	2009	2008-09
ASSEMBLY	0.0	2.0	2.0	0.0	2.0	2.0	0.0	2.0	2.0
COUNCIL	2.0	1.4	3.4	2.0	1.4	3.4	2.0	1.4	3.4
Maritime Safety Committee	3.2	1.6	4.8	3.2	1.6	4.8	3.2	1.6	4.8
Marine Environment Protection Committee	2.0	1.0	3.0	2.0	1.0	3.0	2.0	1.0	3.0
Technical Co-operation Committee 2/	0.6	0.8	1.4	0.6	0.6	1.2	1.0	0.6	1.6
Sub-Committees	9.0	9.0	18.0	8.0	8.0	16.0	9.0	9.0	18.0
Legal Committee 3/	2.0	2.0	4.0	2.0	1.0	3.0	2.0	2.0	4.0
Facilitation Committee	1.0	1.0	2.0	1.0	1.0	2.0	1.0	1.0	2.0
London Convention	1.0	1.0	2.0	1.0	1.0	2.0	1.0	1.0	2.0
Diplomatic Conferences	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.0	1.0
Total	20.8	20.8	41.6	19.8	18.6	38.4	21.2	20.6	41.8

1/ As revised by the Council.

2/ Reflected additional one day for 2007 as approved by C 97.

3/ Legal Committee for 2007 indicates the approved meeting-weeks by the Assembly (including one meeting-week for 2007 because of the Diplomatic Conference postponed from 2006).

Reduction in Capital investment provision

24 A line item for capital investment was introduced in the 2004-2005 biennium to address the need to bolster the Organization’s Headquarters Capital Fund. The capital transfers from the regular budget, currently established at a level of £550k for the biennium, were proposed to increase by another £200k for the next biennium in line with the longer-term financial requirements to be borne by the Headquarters Capital Fund. In view of the compelling situation to limit the growth of the Organization’s budget to a minimum level, the Secretary-General has adjusted the Capital investment provision below the current biennium level by cutting **£420k** from the proposal contained in document C 98/6.

SUMMARY OF THE OVERALL IMPACT OF THE ABOVE REVIEWS

25 The Secretary-General’s overall review of his budget proposal is summarized in the following paragraphs, both by Object of expenditure and by Major Programme.

Revised budget proposal by Object of expenditure

26 Table 8 sets out the overall reduction in the regular budget proposal amounting to £1,976.9k, 54% (£1,074.8k) of which is achieved through improving efficiency and other changes and the remaining 46% (£902.1k) from programme adjustments. Staff costs are estimated to reduce by £909.5k in total through: the ICSC’s recent adjustment of staff salaries; changes in the application of US\$/£ exchange rates; and the decrease in the number of the proposed new posts and delaying their recruitment to 2009. The reduction in Staff costs accounts for 46% of total cutback followed by the cut in General operating expenses of £822.2k, accounting for 42% of the total adjustment.

**Table 8
Summary of the revised budget proposal by Object of expenditure**

	Approved	Proposal C 98	Changes from review of C 98 proposal			Revised increases	
	£'000	£'000	£'000			C/ES 24	
	2006-07	2008-2009	Efficiency & others	Programme adjustment	Total	£ '000	% impact*
	(a)	(b)			(c)	(c=b-a+c)	(d=c/A)
Staff costs	35,213.2	40,274.4	-599.9	-309.6	-909.5	4,151.7	8.3%
Short-term assistance	1,241.1	1,292.7	12.6	-	12.6	64.2	0.1%
Meetings	2,532.5	2,677.5	-23.2	-172.5	-195.7	-50.7	-0.1%
Mission travel	638.4	752.4	-62.1	-	-62.1	51.9	0.1%
General operating expenses	10,105.1	11,648.8	-402.2	-420.0	-822.2	721.5	1.5%
Total	(A) 49730.3	56,645.8	-1,074.8	-902.1	-1,976.9	4,938.6	9.9%

* % impact indicates the percentage points composing the changes against the current biennium total budget of £49,730.3k.

27 Chart 3 below shows, as a result of the review, the composition of the revised budget proposal and where the individual cuts are made. Chart 4 provides a comparison between the proposal at C 98 and C/ES.24 of the budget increases and their impact (percentage points composing the reduced overall increase) by Object of expenditure.

Chart 3
Composition of proposed budgets and cuts by Object of expenditure for 2008-2009

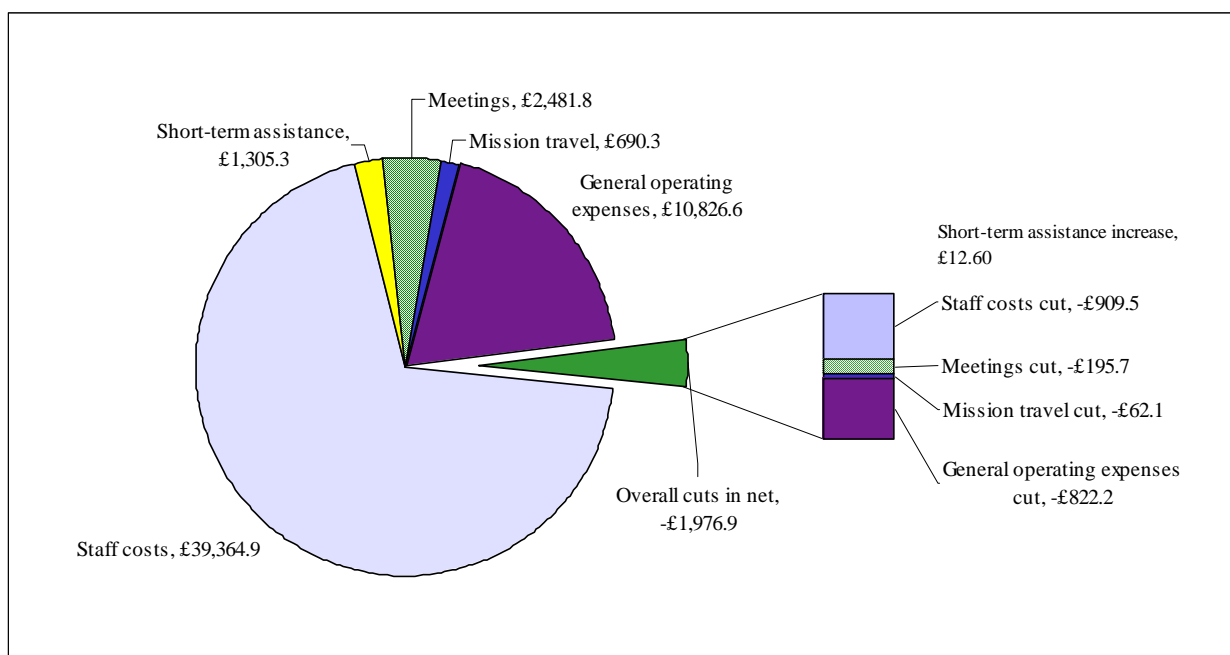
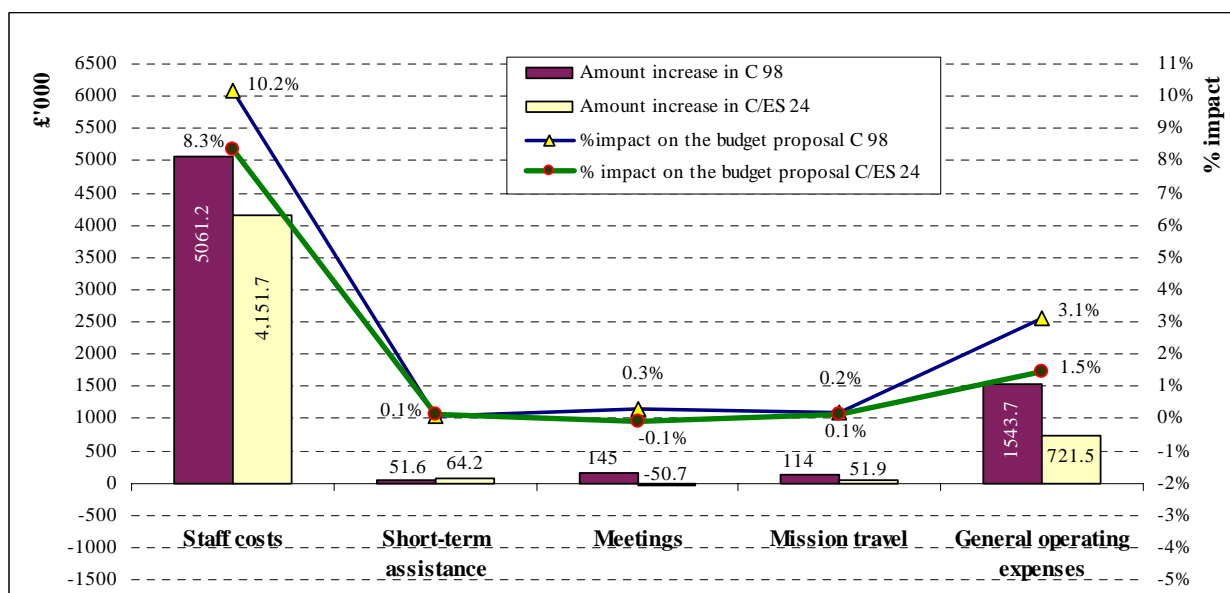


Chart 4
Comparison of proposed budget increases by Object of expenditure in C 98 and C/ES 24



28 Table 9 shows year-on-year changes for the revised budget proposal by Object of expenditure. Overall, the revised proposal provides for a 5.4% increase over the 2007 budget and 3.9% over the 2008 one. The largest increase proposed in Staff costs of 6.7% in 2008 is due, not only to the usual interim annual salary increase and statutory increments, but also to the reflection of the knock-on effect of the Professional salary increase in 2006 which was not budgeted in the current biennium budget.

Table 9
Year-on-year changes of the revised budget proposal for 2008-2009

	Approved £'000		Proposal C 98 £'000		Proposal C/ES 24 £'000		Year-on-year changes in proposal C/ES 24	
	2006	2007	2008	2009	2008	2009	2008	2009
	(a)				(b)	(c)	(b/a) %	(c/b) %
Staff costs	17,135.7	18,077.5	19,891.6	20,382.8	19,296.4	20,068.5	6.7%	4.0%
Short-term assistance	598.3	642.8	648.2	644.5	654.5	650.8	1.8%	-0.6%
Meetings	1,254.5	1,278.0	1,297.6	1,379.9	1,223.4	1,258.4	-4.3%	2.9%
Mission travel	315.1	323.3	368.0	384.4	336.7	353.6	4.1%	5.0%
General operating expenses	4,994.7	5,110.4	5,717.1	5,931.7	5,306.3	5,520.4	3.8%	4.0%
Total	24,298.3	25,432.0	27,922.5	28,723.3	26,817.3	27,851.7	5.4%	3.9%

Revised budget proposals by Major Programme

29 Table 10 summarizes the revised estimated costs for each Major Programme. All programmes are subject to some proposed budget reductions due to the strengthened efficiency savings and changes in the exchange rate and ICSC's salary adjustment. Reductions which are made from the programme adjustment lie in four Major Programmes, namely:

- Major Programme 1 (Governance, direction and management) of £69.3k reflecting the proposed cut of one meeting-week for the Legal Committee in 2009;
- Major Programme 3 (Resource management) of £133.4k resulting from the withdrawal of the proposed one new Professional post in IT;
- Major Programme 4 (Technical and legal work) of £279.4k taking into account the proposed cut of 2 meeting-weeks for the Sub-Committee meetings (one in each year for the next biennium; in total £103.2k) and the delayed recruitment to the proposed two Professional and one General Service posts; in total £176.2k; and
- Major Programme 7 (General operating expenses) of £420.0k considering the reduction in the provision for capital investment.

Table 10
Summary of the revised budget proposal by Major Programme

	Approved £'000	Proposal C 98 £'000	Changes from review of C 98 proposal £'000			Proposed increase C/ES 24	
	2006-07	2008-2009	Efficiency & others	Programme adjustment	Total	£ '000	% impact*
	(a)	(b)			(c)	(d=b-a+c)	(e=d/A)
1. Governance, direction and management	6,093.9	6,433.0	-131.6	-69.3	-200.9	138.2	0.3%
2. Capacity-building and technical co-operation	2,824.6	3,007.0	-50.3	0.0	-50.3	132.1	0.3%
3. Resource management	6,577.8	7,613.1	-61.1	-133.4	-194.5	840.8	1.7%
4. Technical and legal work	10,416.6	12,834.9	-247.2	-279.4	-526.6	1,891.7	3.8%
5. International meetings	10,707.5	11,887.0	-136.7	0.0	-136.7	1,042.8	2.1%
6. External relations and information	3,404.8	3,622.0	-45.7	0.0	-45.7	171.5	0.3%
7. General operating expenses	10,105.1	11,648.8	-402.2	-420.0	-822.2	721.5	1.5%
Total (gross)	50,130.3	57,045.8	-1,074.8	-902.1	-1,976.9	4,938.6	9.9%
Staff turnover	-400.0	-400.0					
Total (net)		56,645.8	-1,074.8	-902.1	-1,976.9	4,938.6	9.9%

* % impact indicates the percentage points composing the changes against the current biennium total budget of £49,730.3k

30 Chart 5 below illustrates the composition of the revised budget proposal by Major Programme and the level of cuts made to the individual programmes. Chart 6 provides a comparison between the C 98 and C/ES.24 budget increase proposal and their impact

(percentage points composing the overall increase). The greatest cuts are made in Major Programme 7 in which the revised percentage increase is 1.6 percentage points lower than in the proposal contained in document C 98/6. The second largest reduction comes from Major Programme 4, which includes a cut of 1.1 percentage points compared with the proposal in document C 98/6.

Chart 5
Composition of proposed budgets and cuts by Major Programme for 2008-2009

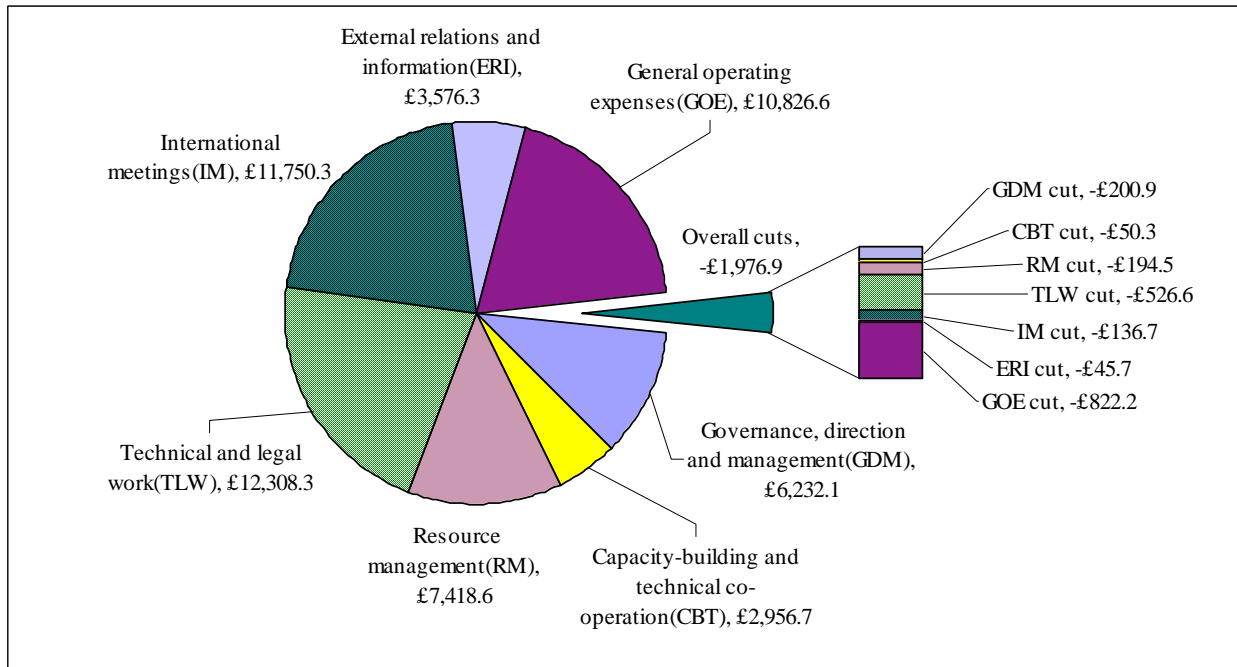
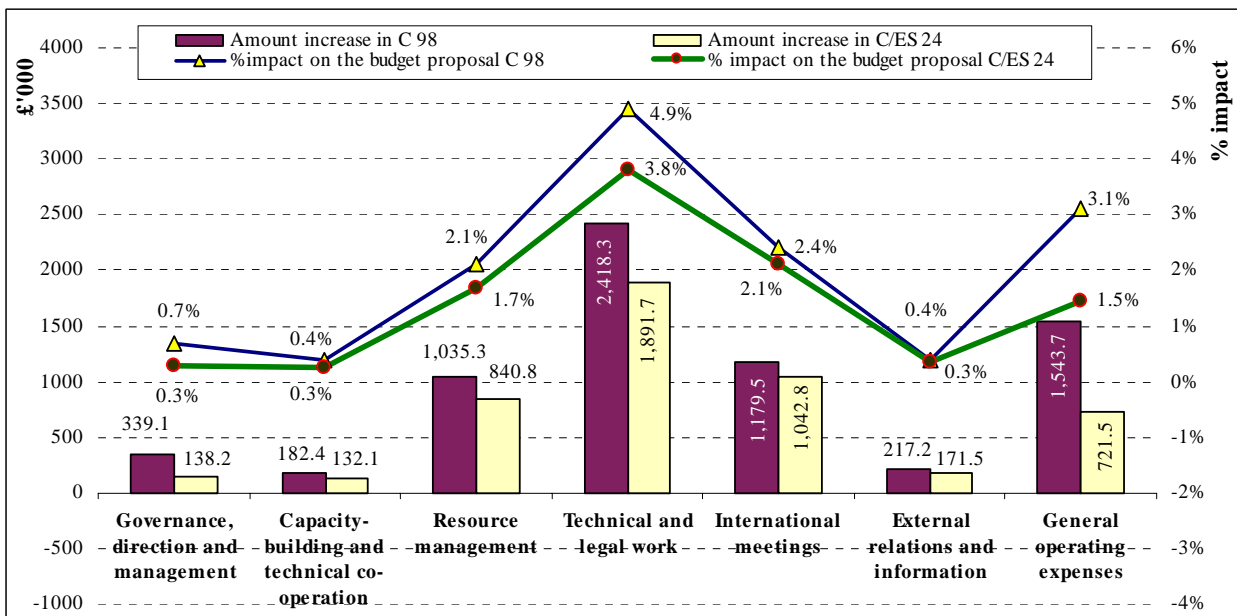


Chart 6
Comparison of proposed budget increases by Major Programme in C 98 and C/ES 24



REVIEW OF REVENUE/TRANSFER AFFECTING ASSESSMENT LEVELS

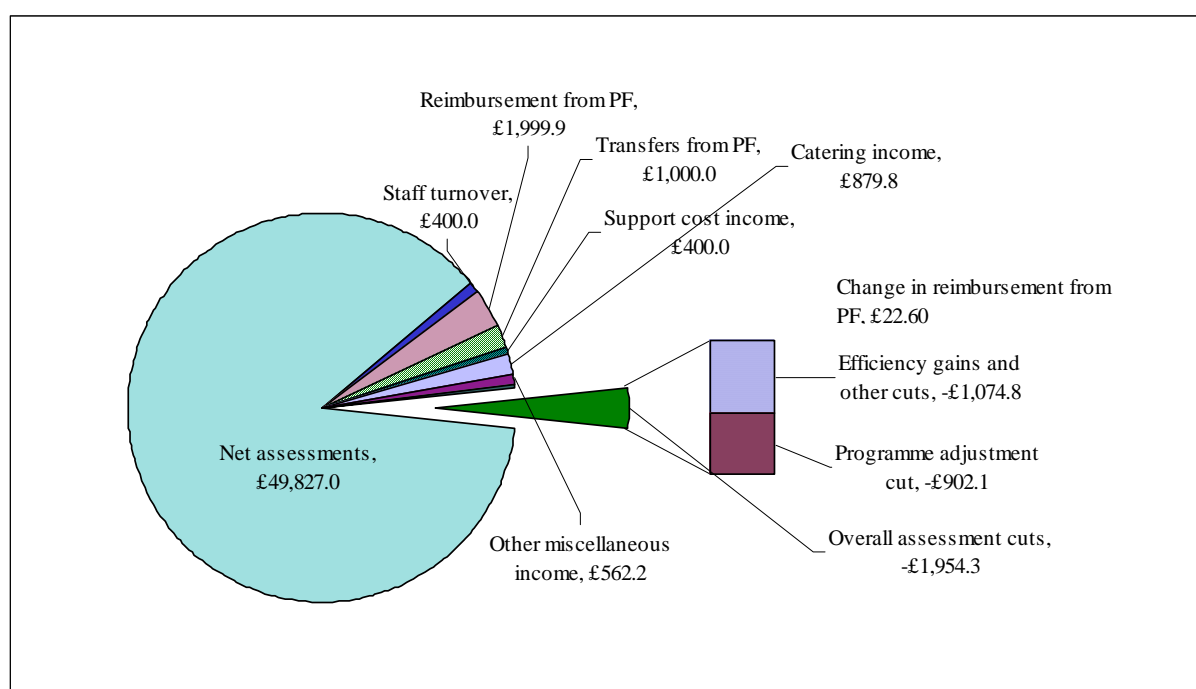
31 Assessments are determined by the level of income received by the regular budget and the needs of the expenditure budget for the 2008-2009 biennium. The revised proposal for expenditure represents an annual increase of 5.4% for 2008 and 3.9% for 2009, as noted in

Table 9 above. The corresponding assessment levels are dependent on the lapse factor; the extent of any offsetting income including reimbursements; and the scope of optional transfers from the Printing Fund reserves to the regular budget as well as from the General Fund surplus to other Funds of the Organization. The Secretary-General's review of those factors has not revealed any specific adjustment to the estimate of each figure provided in document C 98/6, other than the reimbursement from the Printing Fund. The reimbursement, which is associated with the direct and indirect costs of the publishing activities charged to the regular budget, is reduced by £22.6k reflecting, in particular, the efficiency and other savings indicated in Table 8 above. Table 11 shows the resultant assessment level for the next biennium on a year-on-year basis, representing an increase of 3.6% and 4.1%, respectively for 2008 and 2009. At the biennium level, the revised assessment amounts to £49,827.0k, representing an increase of £3,839.7k (8.3%) on the current biennium but a reduction of £1,954.3k (4.3 percentage points) compared with the assessment increase proposed in document C 98/6 of £5,794.0 (12.6%). Chart 7 graphically summarizes the composition of the revised assessment and its associated factors and adjustments.

Table 11
Assessment levels for 2008-2009 compared with the proposals contained in document C 98/6

	Approved £'000		Proposal C 98 £'000		Proposal C/ES 24 £'000		Year-on-year changes in proposal C/ES 24	
	2006	2007	2008	2009	2008	2009	2008	2009
	(a)				(b)	(c)	(b/a) %	(c/d) %
Expenditure estimates (gross)	24,498.3	25,632.0	28,122.5	28,923.3	27,017.2	28,051.7	5.4%	3.8%
Staff turnover (lapse factor)	-200.0	-200.0	-200.0	-200.0	-200.0	-200.0		
Expenditure budget (A)	24,298.3	25,432.0	27,922.5	28,723.3	26,817.2	27,851.7	5.4%	3.9%
Reimbursement from PF	1,016.8	1,040.2	1,001.8	1,020.7	987.0	1,012.9	-5.1%	2.6%
Transfers from PF	175.0	175.0	500.0	500.0	500.0	500.0		
Support cost income	300.0	300.0	200.0	200.0	200.0	200.0		
Catering income	213.8	125.1	399.9	479.9	399.9	479.9		
Other miscellaneous income	173.6	223.5	321.1	241.1	321.1	241.1		
Offsetting income total (B)	1,879.2	1,863.8	2,422.8	2,441.7	2,408.0	2,433.9	29.2%	1.1%
Net to be assessed (C=A-B)	22,419.1	23,568.2	25,499.7	26,281.6	24,409.2	25,417.8	3.6%	4.1%

Chart 7
Composition of offsetting components in the revised assessment proposal for 2008-2009



LONGER-TERM FINANCIAL IMPLICATIONS IN VARIOUS FUNDS

32 The Council, at its ninety-eighth session requested the Secretary-General to consider supplementing the budget proposal with a longer-term budget planning, which will provide a link to the Organization's strategic plan. Accordingly, this section reviews the longer-term resource and programme requirements for the programmes of each budgetary Funds of the Organization, namely, the Printing Fund, the Headquarters Capital Fund, the Termination Benefit Fund, the Training and Development Fund and the Technical Co-operation Fund, which all play a part in achieving the Organization's policy goals. The Council will, however, appreciate that the longer-term planning figures do not commit the Council or Assembly beyond the 2008-2009 biennium.

PRINTING FUND

Revised Printing Fund programmes for 2008-2009

33 The income from publishing activities, as set out in Table 12 below, is re-estimated, on the basis of the recent trend of publication sales and other miscellaneous income, at approximately £16,676k for the next biennium, which represents an increase of £3,996.1k (32%) over the current biennium and a further increase of £1,501k over the estimate provided in document C 98/6. The corresponding expenditure was also reviewed to reflect the changes in the application of the 2007 staff salary adjustment and exchange rates as noted in paragraphs 11 and 12 above. The pursuit of efficiency savings in the regular budget will also bring a small reduction in the reimbursement from the Printing Fund. However, a further increase in forecast publication sales will accompany the increased contract-out printing. Overall, the revision shows an increase in the proposed expenditure of £97.7k in comparison with the figure proposed in document C 98/6. Based on the re-estimated income and expenditure, the in-year surplus in the next biennium is forecast at £8,357.3k, representing a significant increase of £3,594k (75%) compared with the 2006-2007 approved level of £4,763.3k.

Table 12

Revised estimate income and expenditure for the 2008-2009 biennium under the Printing Fund

Printing Fund	Approved £'000		Proposal C/ES 24 £'000		Biennium total £'000		Proposal C 98	Changes C/ES 24
	2006	2007	2008	2009	2006-07	2008-09 (a)	2008-09 (b)	(c=a-b)
Publication sales	6,000.0	6,060.0	7,988.0	7,828.0	12,060.0	15,816.0	14,250.0	1,566.0
Interest earnings/ miscellaneous income	320.7	299.2	430.0	430.0	619.9	860.0	925.0	-65.0
Income total (a)	6,320.7	6,359.2	8,418.0	8,258.0	12,679.9	16,676.0	15,175.0	1,501.0
Personnel	1,006.5	1,033.6	1,016.2	1,041.5	2,040.1	2,057.7	2,082.5	-24.8
Official missions	70.0	60.0	48.8	51.4	130.0	100.2	100.2	0.0
Contract-out (printing)	853.5	880.0	1,021.5	1,052.1	1,733.5	2,073.6	1,928.5	145.1
Operating expenses	773.0	813.0	853.7	939.1	1,586.0	1,792.8	1,792.8	0.0
Reimbursement to the regular budget	1,016.8	1,040.2	987.0	1,012.9	2,057.0	1,999.9	2,022.5	-22.6
Others (Model courses, etc.)	185.0	185.0	145.0	149.5	370.0	294.5	294.5	0.0
Expenditure total (b)	3,904.8	4,011.8	4,072.2	4,246.5	7,916.6	8,318.7	8,221.0	97.7
Surplus for the year (c=a-b)	2,415.9	2,347.4	4,345.8	4,011.5	4,763.3	8,357.3	6,954.0	1,403.3
Transfers to TCF (75%*)	2,400.0	2,400.0	3,439.8	3,259.4	4,800.0	6,699.2	5,601.5	1,097.7
Transfers to HQCF (15%*)	700.0	700.0	688.0	651.9	1,400.0	1,339.8	1,120.3	219.5
Transfers to TBF (8.5%*)	300.0	300.0	389.8	369.4	600.0	759.2	634.8	124.4
Transfers to TDF (1.5%*)	65.0	65.0	68.8	65.2	130.0	134.0	112.0	22.0
Transfers of annual surplus *(d)	3,465.0	3,465.0	4,586.4	4,345.8	6,930.0	8,932.2	7,468.6	1,463.6
Transfers to HQCF	0.0	0.0	1,500.0	0.0	0.0	1,500.0	1,500.0	0.0
Transfers to regular budget	175.0	175.0	500.0	500.0	350.0	1,000.0	1,000.0	0.0
Transfers of accumulated reserves (e)	175.0	175.0	2,000.0	500.0	350.0	2,500.0	2,500.0	0.0
Additional actual/estimated surplus (f)	2,196.0	2,239.0	n/a	n/a	4,435.0	n/a	n/a	n/a
Accumulated reserves-previous years (g)	5,097.0	6,068.9	7,015.3	4,774.7	5,097.0	7,015.3	6,269.3	746.0
Year-end fund balance (h=c-d-e+f+g)	6,068.9	7,015.3	4,774.7	3,940.4	7,015.3	3,940.4	3,254.7	685.7

* Applicable for 2008 and 2009 against the annual surplus of the previous years, respectively (For 2008, the 2007 surplus is calculated at £4,586.4 consisting of the approved level of £2,347.4 and estimated additional surpluses of £2,239).

34 Accordingly, the distribution of the in-year surplus to various other Funds of the Organization will further increase by £1,463.6k, taking into account the increase in the estimated surplus for 2007 as well. Indicative amounts to be allocated to the Technical Co-operation Fund (75% of the in-year surplus)¹ in accordance with the Assembly resolution A.986(24) are now expected to reach £6.7 million for the biennium, representing an increase of approximately £1 million compared with the document C 98/6 figure. Likewise, in accordance with the Secretary-General's proposed scheme to distribute the remaining 25% of the annual surplus to the Headquarters Capital Fund (HQCF; 15%), the Termination Benefit Fund (TBF; 8.5%) and the Training and Development Fund (TDF; 1.5%), the improved annual surplus status is expected to add a further £219.5k, £124.4k and £22k to those Funds, respectively. In regard to the proposal to allocate some funds available from the accumulated reserves of the Printing Fund to the HQCF and the regular budget, the Secretary-General has maintained the same position as presented in document C 98/6.

Impact of the Production Unit closure on the Printing Fund

35 The External Auditor in his report on the financial statements of the Organization for the first calendar year of the twenty-fourth financial period 2006-2007 (annex 1 to document C 98/5(b)/1) observed that the closure of the Organization's Production Unit had significantly affected the financial position of the Organization during the financial year 2006 and recommended a financial review be undertaken and reported to the Council. The considerable growth of the annual surplus in the Printing Fund is not only attributable to the rise in publication sales but also to the reduced expenditure level arising from the closure of the Production Unit from the beginning of the current biennium.

Table 13
Financial impact review of the closure of the Production Unit
(expressed in thousand pounds sterling)

	2004	2005	2006	2006 savings		Actual savings from the closure of Production Unit	
	Actual	Actual	Actual	Against 2004	Against 2005		
	(a)	(b)	(c)	(d=c-a)	(e=c-b)		
Production reimbursement/direct costs	330.3	341.8	33.0	-297.3	-308.8	-308.8	1/
Production reimbursement/indirect costs	194.8	198.4	0.0	-194.8	-198.4	-198.4	1/
Printing contract-out	340.2	482.7	787.1	446.9	304.4	182.7	2/
Paper	111.9	72.4	3.7		-68.7	-88.4	3/
Staff costs	149.1	122.4	0.0	-149.1	-122.4	-149.1	4/
Overtime/ Temporary assistance	72.1	43.8	0.0	-72.1	-43.8	-58.0	5/
IMO News/Electronic publishing	61.7	57.4	176.9	115.3	119.5	0.0	6/
Other general operating expenses	24.6	60.9	15.8	-8.8	-45.1	-45.1	7/
Total	1,284.8	1,379.7	1,016.6	-268.2	-363.2	-665.1	

1/ These savings (in total £507,200) are based on the 2005 level of reimbursement to the RB. Opportunity costs (if the Production Unit had not closed) will be at least £20,000 more than the 2005 level.

2/ Contract-out costs increased but this was not purely because of the Unit closure but partly reflected the increase in the number of titles and rises in publication sales. In this calculation, it is assumed that 60% of the contract-out increase over the 2005 outcome was affected from the Unit closure.

3/ Paper cost savings are calculated as an average of 2004 and 2005 actuals.

4/ Staff costs savings are taken from the 2004 actual because many posts were kept vacant in 2005 towards the closure of the Unit. Opportunity staff costs would add another £40,000 to the savings.

5/ Overtime/ temporary assistance costs averaged the 2004 and 2005 actuals.

6/ As the increase in the costs of IMO news/electronic publishing is not much associated with the Unit closure, zero impacts are assumed.

7/ Other general operating expenses savings are the difference between the 2005 and 2006 actuals.

^{1/} It should be noted here that the amount of actual transfer to the TCF will be subject to the performance of the publishing activities and, in this regard, the Secretary-General will report to the June Council sessions in 2008 and 2009 on the amount of actual transfers carried out in accordance with figures available from the audited final accounts.

36 A review of the financial impact of the Production Unit closure, which is summarized in Table 13 above, reveals that approximately £665k is estimated to have been saved in 2006 from the closure, compared with the actual costs incurred under the Production Unit in 2004 and 2005. Savings are made from the reduction in personnel costs (direct costs reimbursed to the regular budget, Staff costs, Overtime and Temporary assistance) and General operating expenses (paper, others). As the personnel cost savings are based on comparison of the actual costs, consideration of the full costs based on the approved staff complement would indicate a total on-going saving of more than £700k a year.

37 On the other hand, the abolition of in-house printing inevitably brought an increase in contracted-out printing, but the cost increase (£182.7k in 2006) did not significantly affect the overall financial advantage accrued under the Printing Fund. In this context, the Secretary-General reiterates his view not to restore in-house production activities².

Longer-term prospects

38 The longer-term projection, which is provided at Table 14 below, shows that the income level will steadily increase to reach £8.5 million in 2013. The expenditure will also be on the rise for the same period but is not expected to exceed £4.78 million by 2013, which is almost the same level as approved for 2005, the last year of in-house printing, of £4.64 million. Savings from the Production Unit closure, as noted above, is estimated to contribute to the surplus of the Printing Fund a total of not less than £5.3 million by the end of 2013. The in-year surplus is projected to continuously realize some £4 million a year.

Table 14
Projection of longer-term financial status of the Printing Fund

Printing Fund	2006	2007	2008	2009	2010	2011	2012	2013
	Approved £'000	£'000	Revised estimate £'000		Longer-term projection £'000			
Publication sales	6,000.0	6,060.0	7,988.0	7,828.0	8,063	8,144	8,388	8,472
Interest earnings/ miscellaneous income	320.7	299.2	430.0	430.0	330	320	300	290
Income (a)	6,320.7	6,359.2	8,418.0	8,258.0	8,393.0	8,464	8,688	8,762
Personnel	1,006.5	1,033.6	1,016.2	1,041.5	1,073	1,105	1,138	1,172
Contract-out (printing)	853.5	880.0	1,021.5	1,052.1	1,084	1,117	1,151	1,186
Reimbursement to the regular budget	1,016.8	1,040.2	987.0	1,012.9	1,043	1,074	1,106	1,139
Operating costs/others	1,028.0	1,058.0	1,047.5	1,140.0	1,174	1,210	1,247	1,285
Expenditure (b)	3,904.8	4,011.8	4,072.2	4,246.5	4,374	4,506	4,642	4,782
Surplus for the year (c=a-b)	2,415.9	2,347.4	4,345.8	4,011.5	4,019	3,958	4,046	3,980
Transfers to TCF (e = c * 75%) ▲	2,400.0	2,400.0	3,439.8	3,259.4	3,009	3,014	2,969	3,035
Transfers to HQCF (e = c * 15%) ▲	700.0	700.0	688.0	651.9	602	603	594	607
Transfers to TBF (e = c * 8.5%) ▲	300.0	300.0	389.8	369.4	341	342	336	344
Transfers to TDF (e = c * 1.5%) ▲	65.0	65.0	68.8	65.2	60	60	59	61
Transfers of annual surplus (d)	3,465.0	3,465.0	4,586.4	4,345.8	4,012	4,019	3,958	4,047
Transfers to the regular budget	175.0	175.0	500.0	500.0	500	500	500	500
Transfers to HQCF			1,500.0					
Transfers of accumulated reserves(e)	175.0	175.0	2,000.0	500.0	500	500	500	500
Additional actual/estimate surplus (f)	2,196.0	2,239.0	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated reserves-prior years (g)	5,097.0	6,068.9	7,015.3	4,774.7	3,940	3,447	2,886	2,474
Year-end fund balance (f=c-d-e+f+g)	6,068.9	7,015.3	4,774.7	3,940.4	3,447	2,886	2,474	1,907

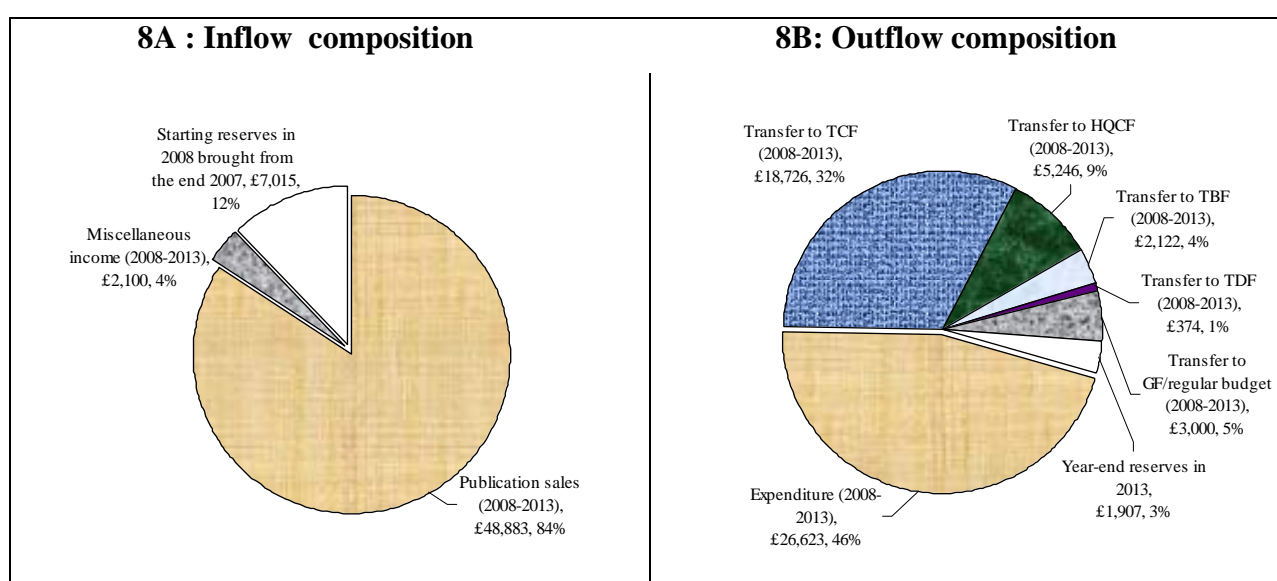
▲ This distribution formula is applicable from 2008 onwards.

39 The net forecast surplus of £24.4 million for 2008-2013, together with the forecast 2007 year-end reserves of £7 million, will be available for funding other Funds' programmes for the next three biennia. The in-year surplus will be fully distributed in the following year, in

^{2/} The Council, at its ninety-eighth session, agreed not to bring the Production Unit back in-house as clear benefits had been gained through contracting out (paragraph 5(b).2.(x) in document C 98/D).

accordance with the distribution formula noted above in paragraph 34, and the accumulated reserves are assumed to be used to partly reduce Member States' assessments through a transfer of £0.5 million a year to the regular budget. Chart 8 shows the aggregate composition of the inflow and outflow of funds for the next three biennia 2008-2013. The inflow of funds totals £58 million for 2008-2013, of which publication sales income accounts for 84% and accumulated reserves brought from the 2007 year-end account for 12%. More than half (51%) of the inflow funds are to transfer to support other Fund programmes, 46% of the funds will cover expenses for the publishing activities and the rest (3%) will be kept as a year-end balance in 2013. The aggregate amount of transfer over the period 2008-2013 is forecast at: £18.7 million to the TCF; £5.2 million to the HQCF; £3.0 million to the regular budget; £2.1 million to the TBF; and £0.4 million to the TDF. The 2013 year-end balance of £1.9 million after all these transfers and expenses will be required to provide working capital provision for the initial few months of publishing operation in the following year.

Chart 8
Composition of the inflow and outflow of funds in the Printing Fund for 2008-2013



HEADQUARTERS CAPITAL FUND

Adjustment to the 2008-2009 programmes

40 The Secretary-General's review of the resource demand under the HQCF for 2008-2009 is set out in Table 15. The proposed expenditure remains unchanged, because the main increases are driven by the repayment of the Organization's share of the costs for the Headquarters refurbishment and by some necessary changes in the Organization's SAP system to implement the HR and Payroll systems and to introduce the International Public Sector Accounting Standards (IPSAS). For the income side, however, the Secretary-General proposes an increase in the transfer of £420k from the cash surplus of the General Fund to offset the reduction in the capital provision available from the regular budget, as noted in paragraph 34 above. A further increase in the transfer from the Printing Fund, due to the revised estimate of the Printing Fund surplus, is estimated at £219.5k, as shown in Table 15. Overall, the income during the next biennium is estimated at £4,363.9k, representing an increase of £260.8k compared with the proposal contained in document C 98/6. The changes in accumulated reserves are due to the prospective increase in the estimated net income in 2007.

Table 15
Revised HQCF programmes for 2008-2009

Headquarters Capital Fund	Approved £'000		Proposal C/ES 24 £'000		Biennium £'000		Proposal C 98 2008-09 (b)	Changes C/ES 24 (c=a-b)
	2006	2007	2008	2009	2006-07	2008-09 (a)		
Transfer from the PF	700.0	700.0	2,188.0	651.9	1,400.0	2,839.8	2,620.3	219.5
Capital provision in the regular budget	250.0	300.0	165.0	165.0	550.0	330.0	750.0	-420.0
Interest/ miscellaneous income	49.6	45.2	163.5	110.6	94.8	274.1	232.8	41.3
Transfer from the GF reserves	0.0	0.0	920.0	0.0	0.0	920.0	500.0	420.0
Income total (a)	999.6	1,045.2	3,436.5	927.5	2,044.8	4,363.9	4,103.1	260.8
Major building repairs	15.0	15.0	70.0	75.0	30.0	145.0	145.0	0.0
Refurbishment repayment*	625.0	625.0	1,250.0	500.0	1,250.0	1,750.0	1,750.0	0.0
Office automation systems**	555.7	572.4	1,344.5	960.0	1,128.1	2,304.5	2,304.5	0.0
Furniture/equipment/ vehicles	50	50	78.2	26.6	100.0	104.8	104.8	0.0
Expenditure total (b)	1,245.7	1,262.4	2,742.7	1,561.6	2,508.1	4,304.3	4,304.3	0.0
Net income for the year (c=a-b)	-246.1	-217.2	693.8	-634.1	-463.3	59.6	-201.2	260.8
Additional actual/estimate net income (d)	492.2	405.8	n/a	n/a	898.0	n/a	n/a	n/a
Accumulated reserves-prior years (e)	1741.7	1,987.8	2,176.4	2,870.2	1,741.7	2,176.4	1,900.5	275.9
Year-end fund balance (f=c+d+e)	1,987.8	2,176.4	2,870.2	2,236.0	2,176.4	2,236.0	1,699.3	536.7

* The 2008 figure relates to the liability balance in Phase 1 and the 2009 figure covers part of the increased liability for Phase 2.

** Including the costs for planned SAP upgrade for IPSAS and HR payroll of £800k for 2008 and £400k for 2009.

Longer-term financial requirements

41 The longer-term resource demand in the HQCF, which is set out in Table 16, is forecast to ease following the peak in the next biennium. This is because the repayment of the Organization's liability associated with the Headquarters refurbishment project is centred in the next biennium and stretched to the end of 2011 in accordance with the agreement with the Government of the United Kingdom. Other than IPSAS-related investment, which will take place mostly in the next biennium, general investment in IT for a longer-term period is forecast to remain at a level slightly higher than the current biennium.

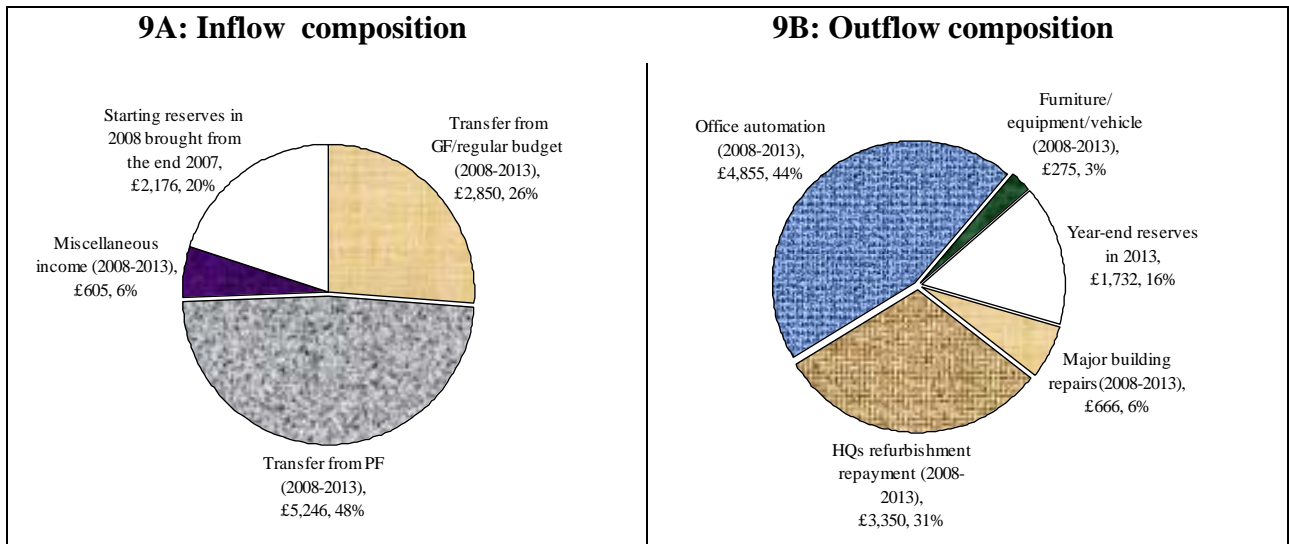
Table 16
Projection of longer-term financial requirements in the HQCF

Headquarters Capital Fund	2006	2007	2008	2009	2010	2011	2012	2013
	Approved		Revised estimate		Longer-term projection			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transfer from the Printing Fund	700.0	700.0	2,188.0	651.9	602	603	594	607
Capital provision in regular budget	250.0	300.0	165.0	165.0	400	400	400	400
Interest/ miscellaneous income	49.6	45.2	163.5	110.6	97	85	71	78
Transfer from the GF reserves	0.0	0.0	920.0	0.0	0	0	0	0
Income (a)	999.6	1,045.2	3,436.5	927.5	1,099	1,088	1,065	1,085
Major building repairs	15.0	15.0	70.0	75.0	90	108	140	183
Refurbishment repayment	625.0	625.0	1,250.0	500.0	800	800	0	0
Office automation systems	555.7	572.4	1,344.5	960.0	587	620	654	689
Furniture/equipment and vehicles	50.0	50.0	78.2	26.6	30	30	30	80
Expenditure (b)	1,245.7	1,262.4	2,742.7	1,561.6	1,507	1,558	824	952
Net income for the year (c=a-b)	-246	-217	693.8	-634.1	-408	-470	241	133
Additional actual/estimate surplus (d)	492.2	405.8	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated surplus-prior years (e)	1,741.7	1,987.8	2,176.4	2,870.2	2,236	1,828	1,358	1,599
Year-end fund balance (f=c+d+e)	1,987.7	2,176.4	2,870.2	2,236.0	1,828	1,358	1,599	1,732

42 The main sources of funds to meet the longer-term financial requirement are the surplus of the Printing Fund and the capital investment provision reflected in the regular budget. Since the annual transfer from the Printing Fund surplus is indicated at some £500k, as shown in Table 14 above, the capital provision in the regular budget needs to be set at £400k a year in

order to maintain the year-end balance at more than £1.5 million by the end of 2013. Chart 9 shows the aggregate composition of the inflow and outflow of funds for the next three biennia, 2008-2013. The inflow of funds totals £10.9 million for 2008-2013, the biggest portion of which comes from the Printing Fund surplus (48%) followed by the regular budget capital provision of 26%. Of the available funds during 2008-2013, 31% will be used for the repayment of the Organization’s Headquarters refurbishment liability and 44% will be spent in maintaining upgraded information and office automation systems. The unused year-end balance by the end of 2013 is forecast at £1,732k.

Chart 9
Composition of the inflow and outflow of funds in the HQCF for 2008-2013



TERMINATION BENEFIT FUND

Adjustment to the 2008-2009 programmes

43 The revised programme for 2008-2009 under the TBF, which is shown in Table 17, reflects the indicative transfer figure available from the Printing Fund surplus, as noted in paragraph 34 above, and a new requirement for disclosing in the Organization’s accounts liabilities recognized in compliance with IPSAS, which is to be introduced across the UN System by 2010. Accounting for staff costs under IPSAS needs to recognize all costs of employing staff during the course of the year, whether those costs are borne in the year or later. Consequently, provisions are required for ‘deferred costs’ of employment, the most obvious examples being the after service health insurance (ASHI) provided to retired employees; the repatriation grant entitlement; and the cost of unused annual leave. Under the current United Nations System Accounting Standards (UNSAS), these costs are disclosed in the notes to the accounts and not shown as liabilities on the balance sheet account statement. The revised programme shown in Table 17 below represents a further increase in income of £2,046.2k and in expenditure of £818k compared with the original estimate in document C 98/6.

Table 17
Revised TBF programmes for 2008-2009

Termination Benefit Fund	Approved £'000		Proposal C/ES 24 £'000		Biennium £'000		Proposal C 98 2008-09 (b)	Changes C/ES 24 (c=a-b)
	2006	2007	2008	2009	2006-07	2008-09 (a)		
Transfer from the Printing Fund	300.0	300.0	389.8	369.4	600.0	759.2	634.8	124.4
Transfer from the General Fund	0.0	0.0	1,000.0	0.0	0.0	1,000.0	0.0	1,000.0
ASHI provision in regular budget	0.0	0.0	418.0	418.0	0.0	836.0	0.0	836.0
Interest/ miscellaneous income	22.6	18.4	73.1	63.1	41.0	136.2	50.4	85.8
Income total (a)	322.6	318.4	1,880.9	850.5	641.0	2,731.4	685.2	2,046.2
Termination and repatriation	443.3	97.1	328.2	228.0	540.4	556.2	556.2	0.0
Replacement of long-term sick leave	45.0	45.0	46.4	47.8	90.0	94.2	94.2	0.0
After-service health insurance	0.0	0.0	403.0	415.0	0.0	818.0	0.0	818.0
Expenditure total (b)	488.3	142.1	777.6	690.8	630.4	1,468.4	650.4	818.0
Net income for the year (c=a-b)	-165.7	176.3	1,103.3	159.7	10.6	1,263.0	34.8	1,228.2
Additional actual/estimate net income (d)	122.2	-38.4	n/a	n/a	83.8	n/a	n/a	n/a
Accumulated surplus-prior years (e)	535.2	491.7	629.6	1,732.9	535.2	629.6	532.6	97.0
Year-end fund balance (f=c+d+e)	491.7	629.6	1,732.9	1,892.6	629.6	1,892.6	567.4	1,325.2

44 As can be seen in Table 18 below, these liabilities are estimated to be more than £13 million in the next biennium. In order to avoid sudden budgetary implications on Member States, as well as taking account of new challenges and other competing demands in the regular budget, the Secretary-General recommends that such liability be accounted for and funded through the Organization's existing TBF and accordingly proposes that a minimum transfer of £1 million be made to the TBF in 2008 from the prospective 2007 year-end cash surplus in the General Fund and, in addition, proposes that the scope of the TBF be revised in draft Assembly resolution (attached as annex 7) to include provision for ASHI and accrued annual leave liabilities. On the basis of the change in the scope of the TBF, such that ASHI expenditure will henceforth be accounted for under the TBF, provision for ASHI in the regular budget, reflected at £418k in each year of the next biennium, will be used to build up funds in the TBF.

Longer-term financial requirements

45 Currently, one of the issues under IPSAS implementation is to find an approach to best finance the anticipated ASHI liability³. Because of the complexities of establishing present liabilities, which will be discharged over an uncertain number of years, actuarial valuations will be required on a regular basis. The Organization is currently carrying out an actuarial valuation of the Organization's ASHI liability, through Van Breda International, which is the present administrator of the medical insurance scheme. The liability under IPSAS shown in Table 18 is an estimate which includes ASHI, repatriation grants and accrued annual leave costs, and points to £15.3 million by the end of 2013. With the proposed arrangement of funding in the next biennium, a deficit of £12.9 million is forecast under IPSAS accounting at the end of the year 2013. The Secretary-General will explore alternative options to make up the shortfall in a reasonable period of time for consideration by the Council at its future sessions.

³ The UN has proposed a plan whereby an 8% surcharge on staff costs would be levied and set aside to build up funds to pay for the liability, rather than counting on a 'pay as you go' basis. Many other organizations are moving in this direction and a number of organizations already have supplementary assessment programme in place to fund the liability with some 4% to 9% surcharge on payroll. The present liability for ASHI alone in the UN itself is estimated at US\$2bn and although no funding agreement has been reached, it has been agreed by the General Assembly that the amount should be shown on the Balance Sheet as a liability, and consequently the accounts of the UN show a net deficit.

Table 18
Projection of longer-term financial requirements in the TBF

Termination Benefit Fund	2006		2007		2008		2009		2010	2011	2012	2013
	Approved				Revised estimate				Longer-term projection			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transfer from the Printing Fund	300.0	300.0	389.8	369.4	60	342	336	344				
Transfer from the GF/regular budget	0.0	0.0	1,418.0	418.0	450	480	500	540				
Interest/ miscellaneous income	22.6	18.4	73.1	63.1	67	73	78	86				
Income (a)	322.6	318.4	1,880.9	850.5	577	895	914	970				
Repatriation and termination	443.3	97.1	328.2	228.0	169	261	135	323				
Replacement of long-term sick leave	45.0	45.0	46.4	47.8	49	51	52	54				
After-service health insurance	0.0	0.0	403.0	415.0	427	440	453	467				
Expenditure (b)	488.3	142.1	777.6	690.8	645	752	640	844				
Net income for the year (c=a-b)	-165.7	176.3	1,103.3	159.7	-68	143	274	126				
Additional actual/estimate surplus (d)	122.2	-38.4	n/a	n/a	n/a	n/a	n/a	n/a				
Accumulated surplus-prior years (e)	535.2	491.7	629.6	1,732.9	1,893	1,825	1,968	2,242				
Year-end fund balance (f=c+d+e)	491.7	629.6	1,732.9	1,892.6	1,825	1,968	2,242	2,368				
Liability under IPSAS (g)			13,221.0	13,618.0	14,026	14,446	14,880	15,326				
Additional funds to be replenished (h=g-f)			11,488.1	11,725.4	12,201	12,478	12,638	12,958				

TRAINING AND DEVELOPMENT FUND

Adjustment to the 2008-2009 programmes

46 Table 19 below shows that no adjustment has been made to the expenditure plan under the TDF provided in document C 98/6. The changes in income simply reflect the changes in indicative transfer amounts from the re-estimated Printing Fund surplus as prescribed in paragraph 34 above and the increase in the accumulated surplus from the prior years is due to the prospective rise in the estimated net income in 2007.

Table 19
Revised TDF programmes for 2008-2009

Training & Development Fund	Approved		Proposal C/ES 24		Biennium		Proposal	Changes
	£'000		£'000		£'000		C 98	C/ES 24
	2006	2007	2008	2009	2006-07	2008-09 (a)	2008-09 (b)	(c=a-b)
Transfer from the Printing Fund	65.0	65.0	68.8	65.2	130.0	134.0	112.0	22.0
Interest/ miscellaneous income	5.3	5.5	10.7	10.0	10.8	20.7	18.0	2.7
Income total (a)	70.3	70.5	79.5	75.2	140.8	154.7	130.0	24.7
Human resource management	30.0	30.0	28.6	26.9	60.0	55.5	55.5	0.0
Financial and budgetary planning	25.0	25.0	19.6	16.0	50.0	35.6	35.6	0.0
SAP/IT related training	0.0	0.0	38.6	37.7	0.0	76.3	76.3	0.0
Induction for translators	11.0	11.0	11.0	11.0	22.0	22.0	22.0	0.0
Expenditure total (b)	66.0	66.0	97.8	91.6	132.0	189.4	189.4	0.0
Net income for the year (c=a-b)	4.3	4.5	-18.3	-16.4	8.8	-34.7	-59.4	24.7
Additional actual/estimate net income (d)	105.7	52.0	n/a	n/a	157.7	n/a	n/a	n/a
Accumulated surplus-prior years (e)	120.1	230.1	286.6	268.3	120.1	286.6	257.7	28.9
Year-end fund balance (f=c+d+e)	230.1	286.6	268.3	251.9	286.6	251.9	198.3	53.6

Longer-term financial requirements

47 As can be seen in Table 20, the income in the TDF over the next three biennia, which is also dependent on the level of the Printing Fund surplus, is currently projected to be reduced over the period with the annual expenditure requirement forecast not to exceed the planned level for 2008. The training demands in 2008-2009 are mostly associated with the new/upgraded SAP module reflecting significant changes in accounting and reporting under IPSAS and the

introduction of the HR and Payroll systems. As the forecast income flow does not address the estimated expenditure requirement, the available funds at the year-end in 2013 will be reduced to less than the forecast year-end reserves for 2007.

Table 20
Projection of longer-term financial requirements in the TDF

Training & Development Fund	2006	2007	2008	2009	2010	2011	2012	2013
	Approved £'000	Approved £'000	Revised estimate £'000		Longer-term projection £'000			
Transfer from the Printing Fund	65.0	65.0	68.8	65.2	60	60	59	61
Interest/ miscellaneous income	5.3	5.5	10.7	10.0	9	9	9	8
Income (a)	70.3	70.5	79.5	75.2	69	69	68	69
Human resource management	30.0	30.0	28.6	26.9	25	26	28	29
Financial and budgetary planning	25.0	25.0	19.6	16.0	10	11	11	12
SAP/IT related training	0.0	0.0	38.6	37.7	35	37	39	41
Induction for translators	11.0	11.0	11.0	11.0	12	12	13	13
Expenditure (b)	66.0	66.0	97.8	91.6	82	86	91	95
Net income for the year (c=a-b)	4.3	4.5	-18.3	-16.4	-13	-17	-23	-26
Additional actual/estimate surplus (d)	105.7	52.0	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated surplus-prior years (e)	120.1	230.1	286.6	268.3	252	239	222	199
Year-end fund balance (f=c+d+e)	230.1	286.6	268.3	251.9	239	222	199	173

TECHNICAL CO-OPERATION FUND

Prospective fund status for 2008-2009

48 No change is considered in the expenditure under the TCF, as allocations from the TCF to support the proposed activities under the Integrated Technical Co-operation Programme (ITCP) for the 2008-2009 biennium were already approved by the Council at its ninety-eighth session at £6,229k, based on the recommendation of the Technical Co-operation Committee at its fifty-seventh session. The change in the prospective income shown in Table 21 below reflects an increase in indicative transfer amounts available from the Printing Fund surplus as noted in paragraph 34 above. The prospective year-end status in 2009 is now revised to show £4.6 million fund balances, representing an improvement of 35% over the forecast year-end reserves in 2007 of £3.4 million.

Table 21
Revised TCF status for 2008-2009

Technical Co-operation Fund	Approved £'000		Proposal C/ES 24 £'000		Biennium £'000		Proposal C 98 2008-09 (b)	Changes C/ES 24 (c=a-b)
	2006	2007	2008	2009	2006-07	2008-09 (a)		
Printing Fund	2,400.0	2,400.0	3,439.8	3,259.3	4,800.0	6,699.1	5,601.5	1,097.6
Incentive earnings donation	0.0	0.0	320.0	0.0	0.0	320.0	320.0	0.0
Interest/ miscellaneous income	113.4	126.6	215.0	228.1	240.0	443.1	381.5	61.6
Income total (a)	2,513.4	2,526.6	3,974.8	3,487.4	5,040.0	7,462.2	6,303.0	1,159.2
ITCP expenditure	2,366.8	2,485.1	3,036.6	3,192.4	4,851.9	6,229.0	6,229.0	0.0
Expenditure (b)	2,366.8	2,485.1	3,036.6	3,192.4	4,851.9	6,229.0	6,229.0	0.0
Net income for the year (c=a-b)	146.6	41.5	938.2	295.0	188.1	1,233.2	74.0	1,159.2
Additional actual/estimate net income (d)	201.5	359.0	n/a	n/a	560.5	n/a	n/a	n/a
Accumulated surplus-prior years (e)	2,657.1	3,005.2	3,405.7	4,343.9	2,657.1	3,405.7	3,220.1	185.6
Year-end fund balance (f=c+d+e)	3,005.2	3,405.7	4,343.9	4,638.9	3,405.7	4,638.9	3,294.1	1,344.8

Longer-term financial requirements

49 The longer-term financial status, which is set out in Table 22, indicates that, due to prospective transfers from the Printing Fund surplus being maintained at more than £3 million a year over the next three biennia, the year-end fund balance is forecast to remain during the next three biennia at a level higher than the 2007 year-end estimate. Donation of the Member States' incentive earnings under the Organization's Contribution Incentive Scheme is conservatively estimated at £750k in income total over the next three biennia.

Table 22
Projection of longer-term financial requirements in the TCF

Technical Co-operation Fund	2006		2007		2008	2009	2010	2011	2012	2013
	Approved				Revised estimate		Longer-term projection			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transfer from the Printing Fund	2,400.0	2,400.0	3,439.8	3,259.3	3,009	3,014	2,969	3,035		
Expected incentive earnings donation	0.0	0.0	320.0	0.0	150	0	180	0		
Interest/ miscellaneous income	113.4	126.6	215.0	228.1	234	231	227	214		
Income (a)	2,513.4	2,526.6	3,974.8	3,487.4	3,393	3,245	3,375	3,248		
ITCP expenditure	2,366.8	2,485.1	3,036.6	3,192.4	3,352	3,520	3,696	3,880		
Expenditure (b)	2,366.8	2,485.1	3,036.6	3,192.4	3,352	3,520	3,696	3,880		
Net income for the year (c=a-b)	146.6	41.5	938.2	295.0	41	-275	-321	-632		
Additional actual/estimate surplus (d)	201.5	359.0	n/a	n/a	n/a	n/a	n/a	n/a		
Accumulated surplus-prior years (e)	2,657.1	3,005.2	3,405.7	4,343.9	4,639	4,679	4,405	4,084		
Year-end fund balance (f=c+d+e)	3,005.2	3,405.7	4,343.9	4,638.9	4,679	4,405	4,084	3,452		

ACTION REQUESTED OF THE COUNCIL

50 In summary, the Secretary-General invites the Council to:

Regular budget

- .1 approve an appropriation for the 2008-2009 biennium of £54,668,900, comprising an appropriation of £26,817,200 for 2008 and an appropriation of £27,851,700 for 2009, as shown in Table 1 and annex 1;
- .2 agree to the financing of the appropriations by assessment upon Member States of £24,409,200 for 2008 and £25,417,800 for 2009, as shown in Table 11 and annex 1, after deducting:
 - direct and indirect costs to be recovered for publishing activities from the Printing Fund of £987,000 in 2008 and £1,012,900 in 2009;
 - transfers from the reserves of the Printing Fund of £500,000 in 2008 and £500,000 in 2009;
 - miscellaneous income, including catering, of £721,000 for 2008 and £721,000 for 2009; and
 - reimbursement of support costs for administrative and technical backstopping of technical co-operation activities of £200,000 in 2008 and £200,000 in 2009;

- .3 endorse the list of proposed posts for 2008-2009, as shown in annex 4;
- .4 agree to the number of meeting-weeks of 38.4, comprising 19.8 meeting-weeks for 2008 and 18.6 meeting-weeks for 2009, as shown in Table 7 and annex 6;

Other Funds of the Organization

- .5 approve the proposed budget for the Printing Fund of £4,072,200 for 2008 and £4,246,500 for 2009, as shown in Table 12;
- .6 approve the proposed budget for the Headquarters Capital Fund of £2,742,700 for 2008 and £1,561,600 for 2009, as shown in Table 15;
- .7 approve the proposed budget for the Termination Benefit Fund of £777,600 for 2008 and £690,800 for 2009, as shown in Table 17;
- .8 approve the proposed budget for the Training and Development Fund of £97,800 for 2008 and £91,600 for 2009, as shown in Table 19;

Transfers

- .9 approve transfers from the surplus of the Printing Fund to the Technical Co-operation Fund of indicative amounts of £3,439,800 in 2008 and £3,259,400 in 2009, as shown in Tables 12 and 21;
- .10 approve transfers to the Headquarters Capital Fund from:
 - the surplus of the Printing Fund of indicative amounts of £688,000 in 2008 and £651,900 in 2009, as shown in Tables 12 and 15;
 - the reserves of the Printing Fund of £1,500,000 in 2008, as shown in Tables 12 and 15; and
 - the cash surplus of the General Fund of £920,000 in 2008, as shown in Table 15;
- .11 approve transfers to the Termination Benefit Fund from:
 - the surplus of the Printing Fund of indicative amounts of £389,800 in 2008 and £369,400 in 2009, as shown in Tables 12 and 17; and
 - the cash surplus of the General Fund of £1,000,000 in 2008, as shown in Table 17;
- .12 approve transfers from the surplus of the Printing Fund to the Training and Development Fund of indicative amounts of £68,800 in 2008 and £65,200 in 2009, as shown in Tables 12 and 19;

Impact of the closure of the Production Unit

- .13 note the review of the financial impact of the closure of the Organization's Production Unit, as shown in Table 13;

Longer-term financial requirements

- .14 note the projection of longer-term financial requirements to sustain the Organization's Funds' programmes up to 2013, including the Printing Fund (Table 14), Headquarters Capital Fund (Table 16), the Termination Benefit Fund (Table 18), the Training and Development Fund (Table 20) and the Technical Co-operation Fund (Table 22); and

Recommendation to the Assembly (draft Assembly resolution)

- .15 recommend to the Assembly the approval of the above-mentioned proposals as reflected in the draft Assembly resolution at annex 7 to this document.

ANNEX 1

C/ES 24/6

PROPOSED BUDGETS BY PROGRAMME FOR THE 2008-2009 BIENNIUM COMPARED WITH THE 2006-2007 BUDGET

	Approved		Proposed		Biennium total		Changes (%)		
	2006	2007	2008	2009	2006-2007	2008-2009	Annual changes		Biennial
	£		£		£		2008	2009	2008-2009
1 Governance, direction and management	2,900,200	3,193,700	3,125,900	3,106,200	6,093,900	6,232,100	-2.1%	-0.6%	2.3%
1.1 Governance and oversight	948,900	1,255,500	1,165,300	1,370,300	2,204,400	2,535,600	-7.2%	17.6%	15.0%
1.2 Direction and management	1,951,300	1,938,200	1,960,600	1,735,900	3,889,500	3,696,500	1.2%	-11.5%	-5.0%
2 Capacity-building and technical co-operation	1,391,000	1,433,600	1,460,300	1,496,400	2,824,600	2,956,700	1.9%	2.5%	4.7%
2.1 TC programme delivery	943,600	966,500	898,300	916,700	1,910,100	1,815,000	-7.1%	2.0%	-5.0%
2.2 Partnerships and resource mobilization	160,000	161,000	175,700	178,900	321,000	354,600	9.1%	1.8%	10.5%
2.3 Programme management and institutional development	287,400	306,100	386,300	400,800	593,500	787,100	26.2%	3.8%	32.6%
3 Resource management	3,216,800	3,361,000	3,625,000	3,793,600	6,577,800	7,418,600	7.9%	4.7%	12.8%
3.1 Financial management	973,800	1,037,500	1,051,100	1,097,300	2,011,300	2,148,400	1.3%	4.4%	6.8%
3.2 Human resource management	547,300	566,300	686,100	715,800	1,113,600	1,401,900	21.2%	4.3%	25.9%
3.3 Facilities management	902,900	930,200	966,000	1,031,900	1,833,100	1,997,900	3.8%	6.8%	9.0%
3.4 Information technology	792,800	827,000	921,800	948,600	1,619,800	1,870,400	11.5%	2.9%	15.5%
4 Technical and legal work	5,139,200	5,277,400	5,957,600	6,350,700	10,416,600	12,308,300	12.9%	6.6%	18.2%
4.1 Maritime safety and security	2,649,300	2,793,600	3,211,100	3,411,900	5,442,900	6,623,000	14.9%	6.3%	21.7%
4.2 Marine environment	1,672,300	1,724,000	1,921,900	2,101,300	3,396,300	4,023,200	11.5%	9.3%	18.5%
4.3 Legal Affairs (Legal Office)	607,100	544,000	638,500	645,000	1,151,100	1,283,500	17.4%	1.0%	11.5%
4.4 Facilitation of maritime traffic	210,500	215,800	186,100	192,500	426,300	378,600	-13.8%	3.4%	-11.2%
5 International meetings	5,183,400	5,524,100	5,782,300	5,968,000	10,707,500	11,750,300	4.7%	3.2%	9.7%
5.1 Translation services	3,240,300	3,570,200	3,710,900	3,757,200	6,810,500	7,468,100	3.9%	1.2%	9.7%
5.2 Word processing services	1,049,300	1,032,200	1,040,300	1,120,400	2,081,500	2,160,700	0.8%	7.7%	3.8%
5.3 Conference services	352,800	371,000	443,200	470,000	723,800	913,200	19.5%	6.0%	26.2%
5.4 Documentation services	541,000	550,700	587,900	620,400	1,091,700	1,208,300	6.8%	5.5%	10.7%
6 External relations and information	1,673,000	1,731,800	1,759,900	1,816,400	3,404,800	3,576,300	1.6%	3.2%	5.0%
6.1 External relations	386,900	413,000	440,200	449,400	799,900	889,600	6.6%	2.1%	11.2%
6.2 Information services	550,200	562,900	555,900	572,200	1,113,100	1,128,100	-1.2%	2.9%	1.3%
6.3 Publications	735,900	755,900	763,800	794,800	1,491,800	1,558,600	1.0%	4.1%	4.5%
TOTAL programme appropriations	19,503,600	20,521,600	21,711,000	22,531,300	40,025,200	44,242,300	5.8%	3.8%	10.5%
7 General operating expenses									
7.1 Headquarters building	2,825,100	2,880,000	2,960,000	3,011,000	5,705,100	5,971,000	2.8%	1.7%	4.7%
7.2 Office consumables and services	1,424,400	1,417,100	1,446,200	1,595,400	2,841,500	3,041,600	2.1%	10.3%	7.0%
7.3 Ancillary provisions	495,200	513,300	735,000	749,000	1,008,500	1,484,000	43.2%	1.9%	47.1%
7.4 Capital investment programme	250,000	300,000	165,000	165,000	550,000	330,000	-45.0%	0.0%	-40.0%
TOTAL General operating expenses	4,994,700	5,110,400	5,306,200	5,520,400	10,105,100	10,826,600	3.8%	4.0%	7.1%
Estimated staff turn-over	(200,000)	(200,000)	(200,000)	(200,000)	(400,000)	(400,000)	0.0%	0.0%	0.0%
Total proposed appropriation	24,298,300	25,432,000	26,817,200	27,851,700	49,730,300	54,668,900	5.4%	3.9%	9.9%
Reimbursement from the Printing Fund	(1,016,800)	(1,040,200)	(987,000)	(1,012,900)	(2,057,000)	(1,999,900)	-5.1%	2.6%	-2.3%
Transitional transfer from the Printing Fund	(175,000)	(175,000)	(500,000)	(500,000)	(350,000)	(1,000,000)	185.7%	0.0%	185.7%
Technical Co-operation support costs income	(300,000)	(300,000)	(200,000)	(200,000)	(600,000)	(400,000)	-33.3%	0.0%	-33.3%
Miscellaneous income	(387,400)	(348,600)	(721,000)	(721,000)	(736,000)	(1,442,000)	106.8%	0.0%	95.9%
Net to be Assessed	22,419,100	23,568,200	24,409,200	25,417,800	45,987,300	49,827,000	3.6%	4.1%	8.3%

ANNEX 2
OBJECT-BASED RESOURCE ALLOCATIONS BY PROGRAMME FOR 2008-2009

		Staff costs	Meetings	Travel	Overtime /ND	Temporary assistance	Consultancy	General operating expenses	Total
1 Governance, direction and management									
1.1 Governance and oversight	2008	973,600	156,600	31,400	1,300	-	2,400		1,165,300
	2009	989,100	344,500	35,300	1,400	-	-		1,370,300
	Sub-total	1,962,700	501,100	66,700	2,700	-	2,400	-	2,535,600
1.2 Direction and management	2008	1,329,400	537,900	80,200	4,500	3,600	5,000		1,960,600
	2009	1,347,000	298,900	76,500	4,800	3,700	5,000		1,735,900
	Sub-total	2,676,400	836,800	156,700	9,300	7,300	10,000	-	3,696,500
Total of Major Programme 1	2008	2,303,000	694,500	111,600	5,800	3,600	7,400		3,125,900
	2009	2,336,100	643,400	111,800	6,200	3,700	5,000		3,106,200
	Total	4,639,100	1,337,900	223,400	12,000	7,300	12,400	-	6,232,100
2 Capacity-building and technical co-operation									
2.1 TC programme delivery	2008	875,700	-	17,100	2,000	3,500	-		898,300
	2009	892,100	-	19,000	2,100	3,500	-		916,700
	Sub-total	1,767,800	-	36,100	4,100	7,000	-	-	1,815,000
2.2 Partnerships and resource mobilization	2008	160,700	-	-	-	-	15,000		175,700
	2009	163,900	-	-	-	-	15,000		178,900
	Sub-total	324,600	-	-	-	-	30,000	-	354,600
2.3 Programme management and institutional development	2008	382,600	-	2,600	400	700	-		386,300
	2009	397,000	-	2,700	400	700	-		400,800
	Sub-total	779,600	-	5,300	800	1,400	-	-	787,100
Total of Major Programme 2	2008	1,419,000	-	19,700	2,400	4,200	15,000		1,460,300
	2009	1,453,000	-	21,700	2,500	4,200	15,000		1,496,400
	Total	2,872,000	-	41,400	4,900	8,400	30,000	-	2,956,700
3 Resource management									
3.1 Financial management	2008	987,900	-	10,900	7,600	37,200	7,500		1,051,100
	2009	1,029,800	-	13,800	8,000	38,200	7,500		1,097,300
	Sub-total	2,017,700	-	24,700	15,600	75,400	15,000	-	2,148,400
3.2 Human resource management	2008	604,100	-	21,600	2,400	8,200	49,800		686,100
	2009	628,900	-	26,200	2,500	8,400	49,800		715,800
	Sub-total	1,233,000	-	47,800	4,900	16,600	99,600	-	1,401,900
3.3 Facilities management	2008	933,700	-	5,000	25,500	1,800	-		966,000
	2009	1,000,800	-	2,700	26,500	1,900	-		1,031,900
	Sub-total	1,934,500	-	7,700	52,000	3,700	-	-	1,997,900
3.4 Information technology	2008	871,400	-	14,300	3,500	32,600	-		921,800
	2009	897,300	-	14,100	3,600	33,600	-		948,600
	Sub-total	1,768,700	-	28,400	7,100	66,200	-	-	1,870,400
Total of Major Programme 3	2008	3,397,100	-	51,800	39,000	79,800	57,300		3,625,000
	2009	3,556,800	-	56,800	40,600	82,100	57,300		3,793,600
	Total	6,953,900	-	108,600	79,600	161,900	114,600	-	7,418,600

ANNEX 2
OBJECT-BASED RESOURCE ALLOCATIONS BY PROGRAMME FOR 2008-2009

		Staff costs	Meetings	Travel	Overtime /ND	Temporary assistance	Consultancy	General operating expenses	Total
4 Technical and legal work									
4.1 Maritime safety and security	2008	2,695,200	408,800	67,400	10,900	28,800	-		3,211,100
	2009	2,883,400	416,800	69,800	12,200	29,700	-		3,411,900
	Sub-total	5,578,600	825,600	137,200	23,100	58,500	-	-	6,623,000
4.2 Marine environment	2008	1,675,000	69,000	50,000	10,300	2,800	114,800		1,921,900
	2009	1,794,800	146,100	51,400	8,600	2,800	97,600		2,101,300
	Sub-total	3,469,800	215,100	101,400	18,900	5,600	212,400	-	4,023,200
4.3 Legal Affairs (Legal Office)	2008	619,600	-	11,000	4,300	3,600	-		638,500
	2009	625,600	-	11,200	4,500	3,700	-		645,000
	Sub-total	1,245,200	-	22,200	8,800	7,300	-	-	1,283,500
4.4 Facilitation of maritime traffic	2008	131,400	51,100	3,600	-	-	-		186,100
	2009	135,300	52,100	5,100	-	-	-		192,500
	Sub-total	266,700	103,200	8,700	-	-	-	-	378,600
Total of Major Programme 4	2008	5,121,200	528,900	132,000	25,500	35,200	114,800		5,957,600
	2009	5,439,100	615,000	137,500	25,300	36,200	97,600		6,350,700
	Total	10,560,300	1,143,900	269,500	50,800	71,400	212,400	-	12,308,300
5 International meetings									
5.1 Translation services	2008	3,600,400	-	5,600	5,600	99,300	-		3,710,900
	2009	3,640,700	-	9,400	6,000	101,100	-		3,757,200
	Sub-total	7,241,100	-	15,000	11,600	200,400	-	-	7,468,100
5.2 Word processing services	2008	950,400	-	-	46,900	43,000	-		1,040,300
	2009	1,025,200	-	-	48,800	46,400	-		1,120,400
	Sub-total	1,975,600	-	-	95,700	89,400	-	-	2,160,700
5.3 Conference services	2008	431,100	-	-	3,700	8,400	-		443,200
	2009	456,700	-	-	3,800	9,500	-		470,000
	Sub-total	887,800	-	-	7,500	17,900	-	-	913,200
5.4 Documentation services	2008	557,500	-	-	16,800	13,600	-		587,900
	2009	588,900	-	-	17,500	14,000	-		620,400
	Sub-total	1,146,400	-	-	34,300	27,600	-	-	1,208,300
Total of Major Programme 5	2008	5,539,400	-	5,600	73,000	164,300	-		5,782,300
	2009	5,711,500	-	9,400	76,100	171,000	-		5,968,000
	Total	11,250,900	-	15,000	149,100	335,300	-	-	11,750,300
6 External relations and information									
6.1 External relations	2008	423,400	-	10,400	1,000	5,400	-		440,200
	2009	432,200	-	10,600	1,000	5,600	-		449,400
	Sub-total	855,600	-	21,000	2,000	11,000	-	-	889,600
6.2 Information services	2008	538,500	-	5,600	-	11,800	-		555,900
	2009	554,300	-	5,800	-	12,100	-		572,200
	Sub-total	1,092,800	-	11,400	-	23,900	-	-	1,128,100

ANNEX 2
OBJECT-BASED RESOURCE ALLOCATIONS BY PROGRAMME FOR 2008-2009

		Staff costs	Meetings	Travel	Overtime /ND	Temporary assistance	Consultancy	General operating expenses	Total
6.3 Publications	2008	754,800	-	-	9,000	-	-		763,800
	2009	785,500	-	-	9,300	-	-		794,800
	Sub-total	1,540,300	-	-	18,300	-	-	-	1,558,600
Total of Major Programme 6	2008	1,716,700	-	16,000	10,000	17,200	-		1,759,900
	2009	1,772,000	-	16,400	10,300	17,700	-		1,816,400
	Total	3,488,700	-	32,400	20,300	34,900	-	-	3,576,300
7 General operating expenses									
7.1 Headquarters building	2008							2,960,000	2,960,000
	2009							3,011,000	3,011,000
	Sub-total							5,971,000	5,971,000
7.2 Office consumables and services	2008							1,446,200	1,446,200
	2009							1,595,400	1,595,400
	Sub-total							3,041,600	3,041,600
7.3 Ancillary provisions	2008							735,000	735,000
	2009							749,000	749,000
	Sub-total							1,484,000	1,484,000
7.4 Capital investment programme	2008							165,000	165,000
	2009							165,000	165,000
	Sub-total							330,000	330,000
Total of Major Programme 7	2008							5,306,200	5,306,200
	2009							5,520,400	5,520,400
	Total							10,826,600	10,826,600
Estimated staff turn-over	2008	(200,000)							(200,000)
	2009	(200,000)							(200,000)
	Total	(400,000)							(400,000)
TOTAL APPROPRIATIONS	2008	19,296,400	1,223,400	336,700	155,700	304,300	194,500	5,306,200	26,817,200
	2009	20,068,500	1,258,400	353,600	161,000	314,900	174,900	5,520,400	27,851,700
	TOTAL	39,364,900	2,481,800	690,300	316,700	619,200	369,400	10,826,600	54,668,900

* * *

ANNEX 3
COST ESTIMATES FOR THE 2008-2009 BIENNIUM
BASED ON OBJECTS OF EXPENDITURE

	Appropriation		Estimates		Approved	Estimates	Biennial changes		
	2006	2007	2008	2009	2006-2007	2008-2009	£	%	
Staff costs									
Salaries: Professional and higher categories	5,507,400	5,880,500	5,994,500	6,136,500	11,387,900	12,131,000	743,100	6.5%	
Post adjustments	3,008,800	3,395,400	4,033,000	4,284,000	6,404,200	8,317,000	1,912,800	29.9%	
General Service salaries	4,342,600	4,279,300	4,781,400	4,990,900	8,621,900	9,772,300	1,150,400	13.3%	
Pension									
Professional	1,608,200	1,725,400	1,648,400	1,711,100	3,333,600	3,359,500	25,900	0.8%	
General Service	870,400	857,100	930,600	975,000	1,727,500	1,905,600	178,100	10.3%	
Insurance									
National	203,700	213,100	177,800	183,200	416,800	361,000	-55,800	-13.4%	
Medical	657,500	740,400	760,400	767,700	1,397,900	1,528,100	130,200	9.3%	
Accident	58,400	61,100	75,800	79,700	119,500	155,500	36,000	30.1%	
Allowances									
Professional	134,200	135,300	114,800	117,200	269,500	232,000	-37,500	-13.9%	
General Service	107,400	102,700	80,200	83,600	210,100	163,800	-46,300	-22.0%	
Education grant	589,300	658,300	644,600	681,800	1,247,600	1,326,400	78,800	6.3%	
Home leave	218,700	199,800	225,300	227,700	418,500	453,000	34,500	8.2%	
Representation allowance	29,100	29,100	29,600	30,100	58,200	59,700	1,500	2.6%	
	17,335,700	18,277,500	19,496,400	20,268,500	35,613,200	39,764,900	4,151,700	11.7%	
Staff turnover	(200,000)	(200,000)	(200,000)	(200,000)	(400,000)	(400,000)	0	0.0%	
Staff costs reflecting estimated staff turnover	17,135,700	18,077,500	19,296,400	20,068,500	35,213,200	39,364,900	4,151,700	10.5%	
Other direct costs									
Overtime and night differential	162,300	163,700	155,700	161,000	326,000	316,700	-9,300	-2.9%	
Temporary assistance	345,200	346,200	304,300	314,900	691,400	619,200	-72,200	-10.4%	
Meetings	1,254,500	1,278,000	1,223,400	1,258,400	2,532,500	2,481,800	-50,700	-2.0%	
Mission travel	315,100	323,300	336,700	353,600	638,400	690,300	51,900	8.1%	
Consultancy	90,800	132,900	194,500	174,900	223,700	369,400	145,700	65.1%	
	2,167,900	2,244,100	2,214,600	2,262,800	4,412,000	4,477,400	65,400	1.5%	
General Operating Expenses									
Hospitality	23,400	25,800	20,600	21,200	49,200	41,800	-7,400	-15.0%	
Expendable supplies	103,900	107,000	110,900	113,500	210,900	224,400	13,500	6.4%	
Minor equipment and furniture	63,600	65,500	53,400	54,000	129,100	107,400	-21,700	-16.8%	
Document print charges	112,000	117,200	112,000	117,000	229,200	229,000	-200	-0.1%	
Communications	279,100	283,900	236,900	238,200	563,000	475,100	-87,900	-15.6%	
IT maintenance and minor equipment	233,600	239,000	267,000	277,000	472,600	544,000	71,400	15.1%	
Catering	442,900	404,100	486,500	613,100	847,000	1,099,600	252,600	29.8%	
Medical materials/fees	38,500	39,700	28,400	28,900	78,200	57,300	-20,900	-26.7%	
Local transportation	39,400	41,200	50,500	51,700	80,600	102,200	21,600	26.8%	
Library	52,200	54,000	55,000	56,000	106,200	111,000	4,800	4.5%	
Miscellaneous charges and supplies	35,800	39,700	25,000	24,300	75,500	49,300	-26,200	-34.7%	
	1,424,400	1,417,100	1,446,200	1,594,900	2,841,500	3,041,100	199,600	7.0%	

ANNEX 3
COST ESTIMATES FOR THE 2008-2009 BIENNIUM
BASED ON OBJECTS OF EXPENDITURE

	Appropriation		Estimates		Approved	Estimates	Biennial changes	
	2006	2007	2008	2009	2006-2007	2008-2009	£	%
Headquarters Premises								
Rental	1,195,800	1,195,800	1,195,800	1,195,800	2,391,600	2,391,600	0	0.0%
Rates	70,000	70,000	70,000	72,100	140,000	142,100	2,100	1.5%
Insurance	95,000	92,100	97,900	100,800	187,100	198,700	11,600	6.2%
Gas	55,000	60,000	161,000	161,000	115,000	322,000	207,000	180.0%
Electricity	214,300	214,200	280,000	289,000	428,500	569,000	140,500	32.8%
Water	25,000	25,000	25,300	26,100	50,000	51,400	1,400	2.8%
Maintenance, rental-building equip.	465,000	487,900	430,000	444,400	952,900	874,400	-78,500	-8.2%
Alteration	50,000	50,000	25,000	26,500	100,000	51,500	-48,500	-48.5%
Cleaning	280,000	295,000	280,000	288,400	575,000	568,400	-6,600	-1.1%
Security	375,000	390,000	395,000	406,900	765,000	801,900	36,900	4.8%
	2,825,100	2,880,000	2,960,000	3,011,000	5,705,100	5,971,000	265,900	4.7%
Ancillary provisions								
External Audit	52,200	53,700	53,800	53,800	105,900	107,600	1,700	1.6%
After service medical insurance	263,900	271,800	418,100	418,100	535,700	836,200	300,500	56.1%
Recruitment	65,000	67,000	76,000	81,000	132,000	157,000	25,000	18.9%
Language classes	29,900	30,800	32,800	32,800	60,700	65,600	4,900	8.1%
Jointly financed UN bodies	66,800	72,600	119,600	126,100	139,400	245,700	106,300	76.3%
Public information and other miscellaneous	17,400	17,400	34,700	37,700	34,800	72,400	37,600	108.0%
	495,200	513,300	735,000	749,500	1,008,500	1,484,500	476,000	47.2%
Capital investment programme	250,000	300,000	165,000	165,000	550,000	330,000	-220,000	-40.0%
Total proposed appropriations	24,298,300	25,432,000	26,817,200	27,851,700	49,730,300	54,668,900	4,938,600	9.9%

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ANNEX 4
PROPOSED STAFF COMPLEMENT BY DIVISION FOR 2008-2009

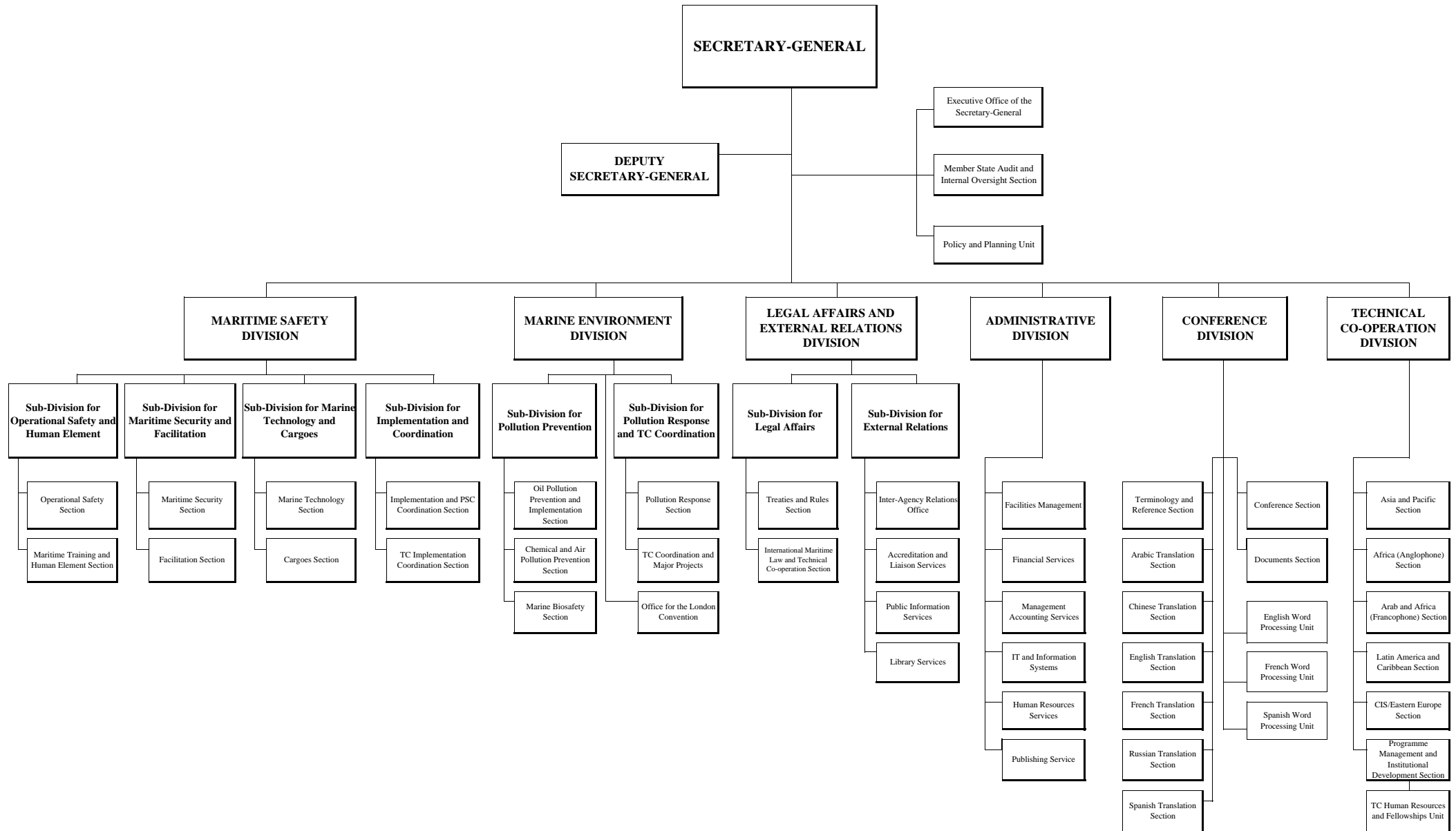
C/ES.24/6

	Regular budget (RB) posts for 2006-2007*			proposed new RB posts for 2009	Printing Fund posts approved for 2006-2007	Total posts proposed for 2008- 2009
	Established	Non- established	Sub-Total			
	(a)	(b)	(c=a+b)			
			(d)	(e)	(f=c+d+e)	
Office of the Secretary-General	Professional and higher	9	0	9	0	9
	General Service	4	0	4	0	4
	Sub-Total	13	0	13	0	13
Maritime Safety Division	Professional and higher	23	0	23	1	25
	General Service	18	0	18	1	19
	Sub-Total	41	0	41	2	44
Marine Environment Division	Professional and higher	15	0	15	1	16
	General Service	7	3	10	0	10
	Sub-Total	22	3	25	1	26
Legal Affairs and External Relations	Professional and higher	13	0	13	0	14
	General Service	11	0	11	0	11
	Sub-Total	24	0	24	0	25
Administrative Division	Professional and higher	26	2	28	0	30
	General Service	53	10	63	0	76
	Sub-Total	79	12	91	0	106
Conference Division	Professional and higher	42	0	42	0	44
	General Service	53	1	54	0	55
	Sub-Total	95	1	96	0	99
Technical Co-operation Division	Professional and higher	16	0	16	0	16
	General Service	8	1	9	0	9
	Sub-Total	24	1	25	0	25
TOTAL	Professional and higher	144	2	146	2	154
	General Service	154	15	169	1	184
	TOTAL	298	17	315	3	338

* This reflect the operational post profile as of September 2007

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**ANNEX 5
ORGANIZATIONAL CHART**



ANNEX 6

C/ES.24/6

LIST OF MEETING-WEEKS PROPOSED FOR 2008-2009

	Session	Approved meeting-weeks			Session	Proposed meeting-weeks		
	No.	2006	2007	2006-07	No.	2008	2009	2008-09
GOVERNING BODIES								
ASSEMBLY	25	0.0	2.0	2.0	26	0.0	2.0	2.0
COUNCIL (regular session)	96, 97, 98 & 99	2.0	0.1	2.1	100, 101, 102 & 103	2.0	0.1	2.1
COUNCIL (Extraordinary session)	24	0.0	1.3	1.3	25	0.0	1.3	1.3
Sub-total		2.0	3.4	5.4		2.0	3.4	5.4
COMMITTEES								
Maritime Safety Committee	81, 82 & 83	3.2	1.6	4.8	84, 85 & 86	3.2	1.6	4.8
Marine Environment Protection Committee	54, 55 & 56	2.0	1.0	3.0	57, 58 & 59	2.0	1.0	3.0
Legal Committee	91, 92, 93 & 94 ^{1/}	2.0	2.0	4.0	94, 95 & 96 ^{4/}	2.0	1.0	3.0
Technical Co-operation Committee	56 & 57 ^{2/}	0.6	0.6	1.2	58 & 59 ^{5/}	0.6	0.6	1.2
Facilitation Committee	33 & 34	1.0	1.0	2.0	35 & 36	1.0	1.0	2.0
Sub-total		8.8	6.2	15.0		8.8	5.2	14.0
SUB-COMMITTEES								
Bulk Liquid and Gases	10 & 11	1.0	1.0	2.0	12 & 13	1.0	1.0	2.0
Dangerous Goods, Solid Cargoes and Containers	11 & 12	1.0	1.0	2.0	13 & 14	1.0	1.0	2.0
Fire Protection	50 & 51	1.0	1.0	2.0	52 & 53	1.0	1.0	2.0
Flag State Implementation	14 & 15	1.0	1.0	2.0	16 & 17	1.0	1.0	2.0
Radiocommunications and Search and Rescue	10 & 11	1.0	1.0	2.0	12 & 13	1.0	1.0	2.0
Safety of Navigation	52 & 53	1.0	1.0	2.0	54 & 55	1.0	1.0	2.0
Ship Design and Equipment	49 & 50	1.0	1.0	2.0	51 & 52	1.0	1.0	2.0
Stability and Load Lines and on Fishing Vessel Safety	49 & 50	1.0	1.0	2.0	51 & 52	1.0	1.0	2.0
Standards of Training and Watchkeeping	37 & 38	1.0	1.0	2.0	39 & 10	1.0	1.0	2.0
Sub-total		9.0	9.0	18.0	^{6/}	8.0	8.0	16.0
LONDON CONVENTION								
	28 & 29	1.0	1.0	2.0	30 & 31	1.0	1.0	2.0
DIPLOMATIC CONFERENCES								
	^{3/}	0.0	1.0	1.0	^{7/}	0.0	1.0	1.0
Total		20.8	20.6	41.4		19.8	18.6	38.4

1/ LEG 94 originally planned for 2007 has been postponed to 2008 due to the postponed Diplomatic Conference on Wreck Removal to 2007.

2/ Meeting-days approved by A 24 for TCC 57 was 3 but C 97 approved one additional day.

3/ Diplomatic Conference on Wreck Removal - originally planned for 2006 but postponed to 2007.

4/ As discussed in C 98, one session of LEG will not be held in the year when a diplomatic conference is held.

5/ A two-day meeting for "Delivering as One: UN System collaboration on TC in the maritime sector" is expected to be held back to back with TC 58 but is not included in the meeting-weeks as this will be regarded as a working-group meeting.

6/ The sub-total of the Sub-Committee meeting-weeks are deducted by one each year of the next biennium; The Sub-Committee meeting which will not held in each year of the next biennium will be decided later.

7/ Diplomatic Conference for the Safe and Environmentally Sound Recycling of Ships

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ANNEX 7

Draft Resolution A....(25)

**PROGRAMME BUDGET
FOR THE TWENTY-FIFTH FINANCIAL PERIOD 2008-2009****A. PROGRAMME BUDGET FOR THE 2008-2009 BIENNIUM**

THE ASSEMBLY,

RECALLING Article 15 of the Convention on the International Maritime Organization, in particular paragraphs (f) and (g) thereof, concerning the functions of the Assembly in relation to the Organization's programme budget,

RECALLING FURTHER resolution A.726(17) of 7 November 1991, by it approved a revised assessment formula for apportioning the contributions of Member States to the Organization's budget; and adopted amendments to the Rules of Procedure of the Assembly concerning enforcement of the payment of contributions,

NOTING the provision of article III of the Organization's Financial Regulations with regard to the preparation of the programme budget estimates,

1. APPROVES the Organization's programme budget voted for the twenty-fifth financial period 2008-2009, as in appendix 1, of £54,668,900, comprising an appropriation of £26,817,200 for 2008 and an appropriation of £27,851,700 for 2009;

2. DECIDES that the appropriation voted above shall be financed by contributions from Member States after deduction of prospective income and transfers comprising:

- (a) reimbursements from the Printing Fund for the costs borne by the regular budget in respect of the IMO publishing activities, estimated at £987,000 for 2008 and £1,012,900 for 2009;
- (b) transitional transfers from the Printing Fund reserves of £500,000 in each year of the biennium;
- (c) programme support costs income from donor funds, estimated at £200,000 in each year of the biennium; and
- (d) miscellaneous income estimated at £721,000 in each year of the biennium;

3. DECIDES ALSO that transfers of uncommitted balances of appropriations to the same major programme of the budget in the second calendar year (other than those authorized by article IV of the Financial Regulations) and transfer of appropriations between major programmes of the budget, shall be carried out only with the prior concurrence of the Council; and

4. APPROVES a total of 19.8 meeting-weeks for 2008 and 18.6 meeting-weeks for 2009, as in appendix 2; and a staff complement of 338 for the biennium including the complement funded by the Printing Fund, as in appendix 3;

NOTING the provision in regulation 5.1 of the Financial Regulations concerning the use of the Working Capital Fund to finance approved appropriations pending receipt of contributions,

RECOGNIZING that the funds in the Working Capital Fund could be insufficient to finance the approved appropriations when exceptional and unforeseen circumstances take place pending receipt of contributions,

5. AUTHORIZES the Secretary-General to draw upon funds in the Printing Fund, the Headquarters Capital Fund, the Technical Co-operation Fund and the Termination Benefit Fund to finance the approved appropriations. Advances made from these Funds to finance budgetary appropriations during a financial period shall be reported to the Council immediately and reimbursed to each respective Fund as soon as, and to the extent that, income is available for that purpose;

RECOGNIZING ALSO the provision in regulation 3.8 of the Financial Regulations concerning supplementary estimates and the past practice of the Assembly in authorizing the Council to approve any necessary recalculation of the appropriations for the second year of the biennium,

RECOGNIZING FURTHER that the Secretary-General may make transfers from one programme to another within the same major programme in accordance with regulation 4.4 of the Financial Regulations,

6. AUTHORIZES the Council, at its relevant sessions, to review the approved programme budget and, if it decides it is necessary, to approve any transfers between programmes, including appropriate recalculation of the programme budget and assessment figures, in the light of the budgetary and exchange rate situation prevailing at that time;

7. INVITES the attention of the Council to the above-mentioned provisions;

8. REQUESTS the Secretary-General to ensure their application while endeavouring to effect the maximum economies in the budget;

9. REQUESTS the Council, should there be any appreciable changes in annual contribution receipts, to undertake a review of the Organization's financial framework, and report its outcome to the Assembly.

B. WORKING CAPITAL FUND

THE ASSEMBLY,

RECALLING resolution A.363(IX) of 14 November 1975, by which the Working Capital Fund was established in the amount of \$250,000 as of 1 January 1976 by means of advances assessed on Member States,

RECALLING FURTHER resolutions A.508(XII), A. 552(13), A.633(15)B, and A.837(19), by which the level of the Working Capital Fund was increased through transfers from other Funds,

NOTING that, after taking into account payments by new Members, the level of the Working Capital Fund presently stands at £2,005,977,

1. DECIDES that new Members shall be assessed for their advances to the Working Capital Fund on the basis only of the part assessed on Members on 1 January 1976;
2. AUTHORIZES the Secretary-General:
 - (a) to advance, from the Working Capital Fund, such sums as may be necessary to finance the appropriations for the years 2008 and 2009 pending receipt of contributions from Members – such amounts so advanced shall be reimbursed to the Working Capital Fund as soon as contributions are available;
 - (b) to advance, from the Working Capital Fund, such sums as may be necessary to finance additional expenditure arising from movements in the rate of exchange during 2008-2009 from the rate adopted for calculation of the appropriation – sums so advanced shall be returned to the Working Capital Fund as soon as possible and in a manner decided on by the Council; and
 - (c) with the prior agreement of the Council, to advance such sums as may be necessary to meet unforeseen or extraordinary expenses arising during the financial period 2008-2009, provided that such expenses are of a clearly exceptional nature and relate specifically to the work programme of the Organization and that the Council is assured that the relevant expenditure cannot be met by appropriate transfer action within the total budget approved for a calendar year;
3. REQUESTS the Secretary-General to report to the Council and the Assembly all advances made under the present resolution, and the relevant circumstances, and to submit supplementary estimates for reimbursement to the Working Capital Fund of advances made from the Fund to meet unforeseen or extraordinary expenses.

C. PRINTING FUND

THE ASSEMBLY,

RECALLING resolution A.307(VIII) of 17 December 1973, concerning the charging of expenditure to the Printing Fund,

RECALLING ALSO resolution A.877(21) of 25 November 1999, by which the Assembly authorized the Secretary-General, with effect from the twenty-second financial period, to charge to the Printing Fund the attributable indirect costs associated with the printing of the Organization's publications and show them in the Printing Fund accounts,

RECALLING FURTHER resolution A.906(22) of 29 November 2001, by which the Assembly decided that the direct costs associated with the Organization's printing and publishing activities funded wholly by the regular budget would be reimbursed from the Printing Fund on a phased basis, namely 60% of the direct costs of the Publishing Service, including relevant financial services, for 2002-2003 and 100% of the direct costs for 2004-2005,

FURTHER RECALLING resolution A.969(24) of 28 November 2005, by which the Assembly decided that the reimbursements from the Printing Fund to the regular budget shall be shown in the Printing Fund accounts,

1. APPROVES the Printing Fund programme budget voted for the twenty-fifth financial period 2008-2009, as shown in Table 1 of appendix 4, of £8,318,700, comprising an appropriation of £4,072,200 for 2008 and an appropriation of £4,246,500 for 2009;

RECALLING that, in accordance with resolution A.100(IV) of 24 September 1965, the disposal of any amount standing to the credit of the Printing Fund at the end of any financial period shall be decided by the Assembly,

RECALLING ALSO resolution A.986(24) of 1 December 2005, by which the Assembly instructed the Secretary-General to transfer, at the beginning of each year, commencing from 1 January 2008, not less than 75% of the net annual surplus in the Printing Fund to the Technical Co-operation Fund, unless otherwise directed by the Assembly,

2. INSTRUCTS the Secretary-General to distribute, on 1 January of each year of the next biennium, 75% of the net annual surplus in the Printing Fund, as recorded in the previous year's final accounts, to the Technical Co-operation Fund, which is estimated at £3,439,800 for 2008 and £3,259,400 for 2009;

3. AUTHORIZES the Secretary-General to distribute the remainder of the net annual surplus in the Printing Fund, as recorded in the previous year's final accounts, as follows:

- (a) 15% to the Headquarters Capital Fund, which is estimated at £688,000 for 2008 and £651,900 for 2009;
- (b) 8.5% to the Termination Benefit Fund, which is estimated at £389,800 for 2008 and £369,400 for 2009; and
- (c) 1.5% to the Training and Development Fund, which is estimated at £68,800 for 2008 and £65,200 for 2009;

4. AUTHORIZES ALSO the Secretary-General to carry out transfers, from the accumulated reserves in the Printing Fund brought forward from the 2006 year-end, as follows:

- (a) £500,000, on 1 January of each year of the biennium, to the General Fund to adjust the assessment level; and
- (b) £1,500,000, on 1 January 2008, to the Headquarters Capital Fund to replenish the funds required for the repayment of the Organization's liability incurred from the Headquarters refurbishment;

5. DECIDES that the interest earnings accruing in the Printing Fund shall continue to be credited to the Printing Fund.

D. HEADQUARTERS CAPITAL FUND

THE ASSEMBLY,

RECALLING resolution A.778(18) of 4 November 1993, by which the Assembly decided to establish the Headquarters Capital Fund by transferring the balance held in the Headquarters Installation Fund and by transfers from the Printing Fund of £500,000 in 1994 and £250,000 in 1995,

RECALLING ALSO that the Headquarters Capital Fund was established with effect from 1 January 1994 with the primary purpose of meeting the capital expenditure necessary for efficient operation of the Organization and for fulfilling the Organization's liabilities under the terms of the Lease for the Headquarters building between the Organization and the United Kingdom Government, and with the scope to include:

- (a) expenditure on repairs to, or replacement of, apparatus and machinery for the Headquarters building (other than regular, planned maintenance costs);
- (b) purchase and installation of office automation equipment, office furniture and equipment, telecommunications equipment and document production machinery;
- (c) official vehicles;
- (d) other items of capital equipment, which relate to the primary purpose of the Fund; and
- (e) expenditure on the design, installation and implementation of office automation systems, including related training needs,

RECALLING FURTHER the Assembly's decision that the Fund should be replenished from time to time by such transfers from other funds of the Organization as might be approved by the Assembly or by the transfer of such funds from the Organization's regular budget as might be approved by the Assembly,

RECALLING ALSO that the Fund has enabled the planning for, and implementation of, major capital programmes since 1994, notably in the field of office automation and communications necessary to improve the Organization's efficiency and effectiveness,

NOTING that the Council, at its ninety-fourth session in June 2005, agreed, in principle, to the planned Headquarters building refurbishment, to be carried out in two phases,

NOTING ALSO that the Council, at its ninety-sixth session in June 2006, agreed, in principle, to the upgrading of the Organization's existing financial and reporting system, including the replacement of Human Resources (HR) and Payroll systems,

RECALLING that the Council, at its ninety-eight session in June 2007, agreed to bring forward the planned phase 2 of the Headquarters refurbishment programme, back-to-back with phase 1,

NOTING FURTHER that the capital expenditure programme for the next biennium indicates that fresh transfers of funds are required to rebuild the base of the Fund,

1. WELCOMES the Host Government's agreement to share the costs of the refurbishment works on the basis of a 90:10 cost-sharing formula, based on a total cost of £46 million, of which the Organization's share of £4.6 million is to be paid in agreed instalments by 2011;
2. APPROVES the Headquarters Capital Fund programme budget voted for the twenty-fifth financial period 2008-2009, as shown in Table 2 of appendix 4, of £4,304,400, comprising an appropriation of £2,742,700 for 2008 and an appropriation of £1,561,600 for 2009;
3. AUTHORIZES the Secretary-General to transfer £920,000, on 1 January 2008, from the cash surplus available in the General Fund at the year-end of 2007 to the Headquarters Capital Fund, in addition to the transfers as indicated in paragraphs 3.(a) and 4.(b) of part C above;
4. DECIDES that the income arising from investments of the Headquarters Capital Fund shall continue to be credited to the Headquarters Capital Fund.

E. TERMINATION BENEFIT FUND

THE ASSEMBLY,

RECALLING resolution A.837(19) of 23 November 1995, by which the Assembly decided to establish the Termination Benefit Fund by an initial transfer of £900,000 from the cash surplus of the General Fund on 1 January 1996, in order to meet the costs associated with payment of termination benefit and repatriation grants to the staff of the Organization,

RECALLING ALSO the decision of the Assembly that the Fund should be replenished as necessary by such transfers from other Funds of the Organization or from the regular budget as might be approved by the Assembly, and that the Fund should be administered in accordance with the Organization's Financial Regulations and Rules,

RECALLING FURTHER resolution A.906(22) of 29 November 2001, which widened the scope of the Fund to allow the financing of the additional costs of temporary assistance required to replace staff on long-term sick leave,

BEING ADVISED that, after taking into account payments to former staff members in connection with separation from service, the level of the Termination Benefit Fund presently stands at approximately £633,000,

NOTING the requirement, under the International Public Sector Accounting Standards (IPSAS), to report, in the Organization's final accounts, its liability for the deferred staff costs such as termination indemnity, repatriation grants entitlement, accrued annual leave costs and after-service health insurance costs (ASHI),

1. DECIDES to widen the present scope of the Fund to include the financing and accounting of the liabilities related to the costs of accrued annual leave and ASHI, in preparation for the UN System-wide implementation of IPSAS;
2. APPROVES the Termination Benefit Fund programme budget voted for the twenty-fifth financial period 2008-2009, as shown in Table 3 of appendix 4, of £1,468,400, comprising an appropriation of £777,600 for 2008 and an appropriation of £690,800 for 2009;

3. AUTHORIZES the Secretary-General to transfer £1,000,000, on 1 January 2008, from the cash surplus available in the General Fund at the year-end of 2007 to the Termination Benefit Fund, in addition to the transfers as indicated in paragraph 3.(b) of part C above;

4. DECIDES that income arising from investments of the Termination Benefit Fund shall be credited to the Termination Benefit Fund.

F. TRAINING AND DEVELOPMENT FUND

THE ASSEMBLY,

RECALLING resolution A.906(22) of 29 November 2001, by which the Assembly decided to establish the Training and Development Fund with an initial transfer of £200,000 from the surplus of the Printing Fund on 1 January 2002, in order to finance organizational strengthening initiatives, and that the Fund should be administered in accordance with the Organization's Financial Regulations and Rules,

NOTING that, under the guidance of the Council, the organizational reforms, which are being implemented, are expected to generate further efficiency savings as well as improved service standards in the delivery of the work programme of the Organization,

NOTING ALSO that the Fund will be replenished from time to time by such transfers from other Funds of the Organization, as may also be approved by the Assembly or by the transfer of such funds from the regular budget, as may be approved by the Assembly,

1. APPROVES the Training and Development Fund programme budget voted for the twenty-fifth financial period 2008-2009, as shown in Table 4 of appendix 4, of £189,400, comprising an appropriation of £97,800 for 2008 and an appropriation of £91,600 for 2009; and

2. AUTHORIZES the Secretary-General to replenish funds through transfers as indicated in paragraph 3.(c) of part C above;

3. DECIDES that the income arising from investments of the Training and Development Fund shall be credited to the Training and Development Fund.

G. TECHNICAL CO-OPERATION FUND

THE ASSEMBLY,

RECALLING resolution A.593(14) of 20 November 1985, by which the Technical Co-operation Fund (TC Fund) was established, and which resolved that the interest should be used to assist the Technical Co-operation Programme of the Organization in accordance with proposals approved by the Assembly,

RECALLING ALSO resolution A.837(19) of 23 November 1995, by which the funds from the TC Fund were drawn down and converted into pounds sterling for the application of technical co-operation activities, and which enabled the level of the funds to be increased through donor contributions and by such transfers, from other funds of the Organization, as may be approved by the Assembly,

NOTING that, in accordance with rule 14 of the Rules of Operation of the TC Fund, the Secretariat reports annually to the Technical Co-operation Committee and the Council on progress made in the delivery of the Integrated Technical Co-operation Programme (ITCP) components that are being supported with the TC Fund resources,

NOTING ALSO that the Council, at its ninety-eighth session, approved allocations from the TC Fund of £6,229,000 to support the proposed activities under the ITCP for the 2008-2009 biennium, based on the recommendation of the Technical Co-operation Committee at its fifty-seventh session,

RECOGNIZING the increasing demand to finance a core programme of technical co-operation to assist developing countries in their endeavours to implement the various instruments adopted by the Organization,

RECALLING resolution A.986(24) of 1 December 2005, by which the Assembly instructed the Secretary-General to transfer, at the beginning of each year, commencing from 1 January 2008, not less than 75% of the net annual surplus in the Printing Fund to the TC Fund, unless otherwise directed by the Assembly,

RECALLING ALSO resolution A.629(15) of 20 November 1987, concerning the introduction of the Contributions Incentive Scheme (CIS), to encourage early payment of contributions in accordance with the Organization's Financial Regulations and Rules,

RECALLING FURTHER resolution A...(25) of, by which Member States are invited to consider voluntarily donating, to the TC Fund, a part and, if possible, all of their interest earnings accumulated under the CIS,

1. AUTHORIZES the Secretary-General to replenish funds through transfers as indicated in paragraph 2 of part C above;
2. DECIDES that the income arising from investments of the TC Fund shall continue to be credited to the TC Fund;
3. REQUESTS the Secretary-General to submit programmes of technical co-operation activities, indicating outputs and end results arising from the use of the Fund's resources, to the Technical Co-operation Committee during the 2008-2009 biennium;
4. RECOMMENDS that Member States voluntarily donate all of their interest earnings accumulated under the CIS to the TC Fund; and also to increase their in-kind contribution to the technical co-operation activities of the Organization.

* * *

Appendix 1
Programme budgets
for the twenty-fifth financial period (2008-2009 biennium)

	2008	2009	2008-2009
	£		
1 Governance, direction and management	3,125,900	3,106,200	6,232,100
1.1 Governance and oversight	1,165,300	1,370,300	2,535,600
1.2 Direction and management	1,960,600	1,735,900	3,696,500
2 Capacity-building and technical co-operation	1,460,300	1,496,400	2,956,700
2.1 TC programme delivery	898,300	916,700	1,815,000
2.2 Partnerships and resource mobilization	175,700	178,900	354,600
2.3 Programme management and institutional development	386,300	400,800	787,100
3 Resource management	3,625,000	3,793,600	7,418,600
3.1 Financial management	1,051,100	1,097,300	2,148,400
3.2 Human resource management	686,100	715,800	1,401,900
3.3 Facilities management	966,000	1,031,900	1,997,900
3.4 Information technology	921,800	948,600	1,870,400
4 Technical and legal work	5,957,600	6,350,700	12,308,300
4.1 Maritime safety and security	3,211,100	3,411,900	6,623,000
4.2 Marine environment	1,921,900	2,101,300	4,023,200
4.3 Legal Affairs (Legal Office)	638,500	645,000	1,283,500
4.4 Facilitation of maritime traffic	186,100	192,500	378,600
5 International meetings	5,782,300	5,968,000	11,750,300
5.1 Translation services	3,710,900	3,757,200	7,468,100
5.2 Word processing services	1,040,300	1,120,400	2,160,700
5.3 Conference services	443,200	470,000	913,200
5.4 Documentation services	587,900	620,400	1,208,300
6 External relations and information	1,759,900	1,816,400	3,576,300
6.1 External relations	440,200	449,400	889,600
6.2 Information services	555,900	572,200	1,128,100
6.3 Publications	763,800	794,800	1,558,600
TOTAL programme appropriations	21,711,000	22,531,300	44,242,300
7 General operating expenses			
7.1 Headquarters building	2,960,000	3,011,000	5,971,000
7.2 Office consumables and services	1,446,200	1,595,400	3,041,600
7.3 Ancillary provisions	735,000	749,000	1,484,000
7.4 Capital investment programme	165,000	165,000	330,000
TOTAL General operating expenses	5,306,200	5,520,400	10,826,600
Estimated staff turn-over	(200,000)	(200,000)	(400,000)
Total proposed appropriation	26,817,200	27,851,700	54,668,900
Reimbursement from the Printing Fund	(987,000)	(1,012,900)	(1,999,900)
Transitional transfer from the Printing Fund	(500,000)	(500,000)	(1,000,000)
Technical Co-operation support costs income	(200,000)	(200,000)	(400,000)
Miscellaneous income	(721,000)	(721,000)	(1,442,000)
Net to be Assessed	24,409,200	25,417,800	49,827,000

Appendix 2 List of meeting-weeks approved for 2008 and 2009

	Session	Meeting-weeks		
	No.	2008	2009	2008-09
GOVERNING BODIES				
ASSEMBLY	26	0.0	2.0	2.0
COUNCIL (regular session)	100, 101,102 & 103	2.0	0.1	2.1
COUNCIL (Extraordinary session)	25	0.0	1.3	1.3
Sub-total		2.0	3.4	5.4
COMMITTEES				
Maritime Safety Committee	84, 85 & 86	3.2	1.6	4.8
Marine Environment Protection Committee	57, 58 & 59	2.0	1.0	3.0
Legal Committee	94, 95 & 96 ^{1/}	2.0	1.0	3.0
Technical Co-operation Committee	58 & 59 ^{2/}	0.6	0.6	1.2
Facilitation Committee	35 & 36	1.0	1.0	2.0
Sub-total		8.8	5.2	14.0
SUB-COMMITTEES				
Bulk Liquid and Gases	12 & 13	1.0	1.0	2.0
Dangerous Goods, Solid Cargoes and Containers	13 & 14	1.0	1.0	2.0
Fire Protection	52 & 53	1.0	1.0	2.0
Flag State Implementation	16 & 17	1.0	1.0	2.0
Radiocommunications and Search and Rescue	12 & 13	1.0	1.0	2.0
Safety of Navigation	54 & 55	1.0	1.0	2.0
Ship Design and Equipment	51 & 52	1.0	1.0	2.0
Stability and Load Lines and on Fishing Vessel Safety	51 & 52	1.0	1.0	2.0
Standards of Training and Watchkeeping	39 & 10	1.0	1.0	2.0
Sub-total	^{3/}	8.0	8.0	16.0
LONDON CONVENTION	30 & 31	1.0	1.0	2.0
DIPLOMATIC CONFERENCES	^{4/}	0.0	1.0	1.0
Total		19.8	18.6	38.4

1/ One session of LEG will not be held in the year when a diplomatic conference is held.

2/A two-day meeting for "Delivering as One: UN System collaboration on TC in the maritime sector" is expected to be held back to back with TC 58 but is not included in the meeting-weeks as this will be regarded as a working-group meeting.

3/ The sub-total of the Sub-Committee meeting-weeks are deducted by one each year of the next biennium; The Sub-Committee meeting which will not be held in each year of the next biennium will be decided later.

4/ Diplomatic Conference for the Safe and Environmentally Sound Recycling of Ships

Appendix 3
List of posts approved for 2008 and 2009

		Regular budget (RB) posts for 2006-2007*			Approved new RB posts for 2009	Printing Fund posts approved for 2006-2007	Total posts proposed for 2008-2009
		Established	Non-established	Sub-Total			
		(a)	(b)	(c=a+b)			
		(d)	(e)	(f=c+d+e)			
Office of the Secretary-General	Professional and higher	9	0	9	0	0	9
	General Service	4	0	4	0	0	4
	Sub-Total	13	0	13	0	0	13
Maritime Safety Division	Professional and higher	23	0	23	1	1	25
	General Service	18	0	18	1	0	19
	Sub-Total	41	0	41	2	1	44
Marine Environment Division	Professional and higher	15	0	15	1	0	16
	General Service	7	3	10	0	0	10
	Sub-Total	22	3	25	1	0	26
Legal Affairs and External Relations	Professional and higher	13	0	13	0	1	14
	General Service	11	0	11	0	0	11
	Sub-Total	24	0	24	0	1	25
Administrative Division	Professional and higher	26	2	28	0	2	30
	General Service	53	10	63	0	13	76
	Sub-Total	79	12	91	0	15	106
Conference Division	Professional and higher	42	0	42	0	2	44
	General Service	53	1	54	0	1	55
	Sub-Total	95	1	96	0	3	99
Technical Co-operation Division	Professional and higher	16	0	16	0	0	16
	General Service	8	1	9	0	0	9
	Sub-Total	24	1	25	0	0	25
TOTAL	Professional and higher	144	2	146	2	6	154
	General Service	154	15	169	1	14	184
	TOTAL	298	17	315	3	20	338

* This reflect the operational post profile as of September 2007

Appendix 4

Table 1
IMO Publication activities:
Estimated revenue and expenditure for 2008–2009

	2008	2009	2008-09 (a)
Publication sales	7,988.0	7,828.0	15,816.0
Interest earnings/ miscellaneous income	430.0	430.0	860.0
Income total (a)	8,418.0	8,258.0	16,676.0
Personnel	1,016.2	1,041.5	2,057.7
Official missions	48.8	51.4	100.2
Contract-out (printing)	1,021.5	1,052.1	2,073.6
Operating expenses	853.7	939.1	1,792.8
Reimbursement to the regular budget	987.0	1,012.9	1,999.9
Others (Model courses, etc.)	145.0	149.5	294.5
Expenditure total (b)	4,072.2	4,246.5	8,318.7
Surplus for the year (c=a-b)	4,345.8	4,011.5	8,357.3
Transfers to TCF (75%*)	3,439.8	3,259.4	6,699.2
Transfers to HQCF (15%*)	688.0	651.9	1,339.8
Transfers to TBF (8.5%*)	389.8	369.4	759.2
Transfers to TDF (1.5%*)	68.8	65.2	134.0
Transfers of annual surplus *(d)	4,586.4	4,345.8	8,932.2
Transfers to HQCF	1,500.0	0.0	1,500.0
Transfers to regular budget	500.0	500.0	1,000.0
Transfers of accumulated reserves (e)	2,000.0	500.0	2,500.0
Prospective reserves-previous years (f)	7,015.3	4,774.7	7,015.3
Year-end fund balance (g=c-d-e+f)	4,774.7	3,940.4	3,940.4

*Applicable for 2008 and 2009 against the annual surplus of the previous years, respectively.

Table 2
Headquarters investment programmes for 2008-2009
financed by the Headquarters Capital Fund

	2008	2009	2008-09 (a)
Transfer from the PF	2,188.0	651.9	2,839.8
Capital provision in the regular budget	165.0	165.0	330.0
Interest/ miscellaneous income	163.5	110.6	274.1
Transfer from the GF reserves	920.0	0.0	920.0
Income total (a)	3,436.5	927.5	4,363.9
Major building repairs	70.0	75.0	145.0
Refurbishment repayment*	1,250.0	500.0	1,750.0
Office automation systems**	1,344.5	960.0	2,304.5
Furniture/equipment/ vehicles	78.2	26.6	104.8
Expenditure total (b)	2,742.7	1,561.6	4,304.3
Net income for the year (c=a-b)	693.8	-634.1	59.6
Prospective reserves-previous years (d)	2,176.4	2,870.2	2,176.4
Year-end fund balance (e=c+d)	2,870.2	2,236.0	2,236.0

* The 2008 figure relates to the liability balance in Phase 1 and the 2009 figure covers part of the increased liability for Phase 2

** Including the costs for planned SAP upgrade for IPSAS and HR payroll of £800k for 2008 and £400k for 2009

Table 3
Termination Benefit Fund Programmes for 2008-2009

	2008	2009	2008-09 (a)
Transfer from the Printing Fund	389.8	369.4	759.2
Transfer from the General Fund	1,000.0	0.0	1,000.0
ASHI provision in regular budget	418.0	418.0	836.0
Interest/ miscellaneous income	73.1	63.1	136.2
Income total (a)	1,880.9	850.5	2,731.4
Termination and repatriation	328.2	228.0	556.2
Replacement of long-term sick leave	46.4	47.8	94.2
After-service health insurance	403.0	415.0	818.0
Expenditure total (b)	777.6	690.8	1,468.4
Net income for the year (c=a-b)	1,103.3	159.7	1,263.0
Prospective reserves-previous years (d)	629.6	1,732.9	629.6
Year-end fund balance (e=c+d)	1,732.9	1,892.6	1,892.6

Table 4
Training and Development Fund Programmes for 2008-2009

	2008	2009	2008-09 (a)
Transfer from the Printing Fund	68.8	65.2	134.0
Interest/ miscellaneous income	10.7	10.0	20.7
Income total (a)	79.5	75.2	154.7
Human resource management	28.6	26.9	55.5
Financial and budgetary planning	19.6	16.0	35.6
SAP/IT related training	38.6	37.7	76.3
Induction for translators	11.0	11.0	22.0
Expenditure total (b)	97.8	91.6	189.4
Net income for the year (c=a-b)	-18.3	-16.4	-34.7
Prospective reserves-previous years (d)	286.6	268.3	286.6
Year-end fund balance (e=c+d)	268.3	251.9	251.9