

Ref: SCBD/SEL/DO/RR/44648R

21 August 2004

**NOTIFICATION****Communication from the Government of Australia concerning  
Decision VII/33: Operations of the Convention**

Dear Madam/Sir,

By paragraph 9 of decision VII/33, the Conference of the Parties requested the Executive Secretary to seek the views of Parties on options for a mechanism for setting priorities during the consideration of agenda items by the COP with a view to providing the budget group with clear guidance on how to address activities with financial implications, and report thereon to the Conference of the Parties at its eighth meeting.

Pursuant to this request, the Executive Secretary issued Notification 2004-042 inviting Parties and Governments to submit their views on this issue to the Secretariat as soon as possible but in any case no later than **31 October 2004**.

The Secretariat is circulating herewith for the information of Parties and Governments, a self-explanatory communication from the Government of Australia on this issue at the latter's request.

I thank you in advance for your cooperation in this matter and your continued support towards the work of the Convention.

Please accept, Madam/Sir, the assurances of my highest consideration.

Yours sincerely,

Hamdallah Zedan  
Executive Secretary

To: All CBD National Focal Points



Australian Government  
Department of the Environment and Heritage

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Dr Hamdallah Zedan  
Executive Secretary  
UN Convention on Biological Diversity  
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Dear Dr Zedan

Response by the Australian Government to Notification No 2004-042

Paragraph 9 of COP 7 Decision VII/13 (Operations of the Convention) requested the Executive Secretary to seek Parties' views on options for a "mechanism" for setting priorities during consideration of agenda items, so that the budget group can be clear on how to address those activities of the Convention with financial implications. The Australian Government understands that you will report your findings to the Parties at COP 8.

On behalf of the Australian Government, I am pleased to respond to your request.

As a general principle, Australia is strongly of the view that fundamental decisions on the budget of the Convention must rest with the Conference of the Parties, not any small group or sub-group. In view of our experience at COP 7, Australia is convinced that priorities must be set as agenda items are considered and that the budget group must have clear guidance in its handling of those items and activities that are expected to have an impact on the budget. To this end, Australia would suggest a six stage 'process' of deliberation of the budget and program of works, as follows:

- (i) All papers/proposals with a budgetary impact must include an appropriate level of budget information under key headings (such as; staff, travel, meetings, consumables, contractors, capital equipment, communication/publicity, training, other, etc). The COP should not be provided with any such papers that do not include this information. The agenda paper for budget and program for the next biennium should include a summary of all COP agenda papers that have budget implications.
- (ii) Working Groups must include a review and refinement of the budget as part of their deliberations on relevant papers. This must be done before the Parties agree to "L" Documents.

- (iii) Early in its discussions, the budget group should reach agreement on a notional core budget and be in a position to inform the Plenary of what funds are likely to be available after Secretariat staffing/running costs and COP/SBSTTA expenses have been calculated. The budget group should also agree on some principles to assist in identifying intersessional priorities, such as the decision made at COP7 that all regional meetings would be funded from the Voluntary Fund.
- (iv) (a) A working group, consisting of nominated representatives from each UN Group endorsed by the Plenary, will review the notional budget and make recommendations and/or present options as to which intersessional activities could be supported from the core budget and those which should be allocated to the Voluntary Fund.  
(b) These suggestions then go back to Parties/Groups for further consideration and discussion of possible sources of funding for non-core (unfunded) activities, and any rationalization of the proposed intersessional workplan.  
(c) The working group then reconvenes to propose an allocation of the proposed intersessional work to the core budget and Voluntary Fund.
- (v) The budget group then considers the proposed allocations and the revised budgets in the “L” documents and incorporates these into the draft budget paper.
- (vi) The COP Plenary makes the final decision on core budget allocations in its consideration of budget papers and endorsement of “L” Documents with a budgetary component.

Australia believes that adoption of a process containing these basic elements could significantly assist all Parties, including those from smaller and developing countries, in engaging in robust and transparent budget discussion and rationalization of the increasingly onerous intersessional work programs of the Convention.

I hope that you find this submission of use in your deliberations on this issue and would be grateful if these comments could be made available for the information of all parties.

Yours sincerely

Dr Conall O’Connell  
Australian Focal Point  
(on behalf of the Australian Government)

August 2004

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