

SECTION V

FINANCIAL RULES FOR THE ADMINISTRATION OF THE TRUST FUND FOR THE CONVENTION ON BIOLOGICAL DIVERSITY

(ANNEX I TO DECISION I/6, AS AMENDED BY DECISION III/1)

Financial Rules for the Administration of the Trust Fund for the Convention on Biological Diversity⁴⁰

(ANNEX I TO DECISION I/6, AS AMENDED BY DECISION III/1)

1. The Conference of the Parties to the Convention shall designate an organization (hereinafter referred to as the Trustee) which shall establish and manage the Trust Fund for the Convention on Biological Diversity (hereinafter referred to as the Trust Fund) in accordance with these rules.
2. The Trust Fund shall be used for funding the administration of the Convention including the functions of the Secretariat.
3. The Trust Fund shall be financed from:
 - (a) Contributions made by Parties to the Convention based on the scale set forth in the Appendix to the budget;
 - (b) Additional contributions made by such Parties;
 - (c) Contributions from States not Parties to the Convention, as well as governmental, intergovernmental and non-governmental organizations, and other sources.
4. It is for the Conference of the Parties to determine the scale referred to in paragraph 3(a) above. The scale is to be based on the United Nations scale of assessments for the apportionment of the expenses of the United Nations [adjusted to provide that no one contribution shall exceed 25 per cent of the total, [and] no contributions shall be required when the United Nations scale provides for a contribution of less than 0.1 per cent], [and no developing country Party shall be required to pay more than any developed country Party]. The contributions referred to in paragraph 3(a) shall be due on 1 January of each calendar year.
5. All contributions shall be paid in United States dollars or its equivalent in a convertible currency and into a bank account to be specified by the Trustee. In con-

40 In accordance with paragraph 5(b) of decision III/24 of the Conference of the Parties, these rules are applicable, *mutatis mutandis*, to the Special Voluntary Trust Fund for Additional Voluntary Contributions to the Core Budget for Approved Activities under the Convention on Biological Diversity and the Special Voluntary Trust Fund for Facilitating Participation of Parties in the Convention Process, with the exception of the modification in subparagraph 5(f) of that decision. In accordance with paragraph 16 of decision BS-1/10 of the Conference of the Parties to the Convention on Biological Diversity serving as the meeting of the Parties to the Cartagena Protocol on Biosafety, these rules are applicable *mutatis mutandis* to the Trust Fund for the core programme budget for the Biosafety Protocol (BG), the Special Voluntary Trust Fund for Additional Voluntary Contributions in Support of Approved Activities under the Cartagena Protocol on Biosafety (BH) and the Special Voluntary Trust Fund for Facilitating Participation of Developing Country Parties to Cartagena Protocol Process (BI).

version of currencies into United States dollars, the United Nations operational rate of exchange shall be used.

6. Accounting records shall be kept in such currency or currencies as the Trustee deems necessary.
7. (a) Budget proposals expressed in United States dollars covering the expenditure and income from contributions referred to in paragraph 3(a) above shall be prepared by the head of the Secretariat (hereinafter referred to as the Executive Secretary) for periods of two calendar years at the minimum. At least 90 days before the date fixed for the opening of each ordinary meeting of the Conference of the Parties, these budget proposals shall be dispatched by the Executive Secretary to all Parties to the Convention.
 - (b) The budget shall, in accordance with Rule 16, be approved by the Conference of the Parties and, if necessary, be revised at an ordinary or extraordinary meeting of the Parties.
8. Contributions referred to in paragraphs 3(b) and (c) shall be used in accordance with any terms and conditions agreed between the Executive Secretary and the respective contributor. At each ordinary meeting of the Conference of the Parties, the Executive Secretary shall present a report on contributions received and expected as well as their sources, amounts, purposes and conditions.
9. The Executive Secretary may commit resources against the Trust Fund only if such commitments are covered by contributions already received. In the event that the Trustee anticipates that there might be a shortfall in resources over the financial period as a whole, it shall notify the Executive Secretary, who shall adjust the budget so that expenditures are at all times fully covered by contributions received.
10. The Trustee, on the advice of the Executive Secretary, may make transfers from one budget line to another within the budget in accordance with the Financial Regulations and Rules of the United Nations.
11. Contributions referred to in paragraph 3(a) above from States and regional economic integration organizations that become Parties to the Convention after the beginning of a financial period shall be made *pro rata temporis* for the balance of that financial period. Consequent adjustments shall be made at the end of each financial period for other Parties.
12. Contributions not immediately required for the purposes of the Trust Fund shall be invested and any interest so earned shall be credited to the Trust Fund.
13. It is for the Conference of the Parties and the Trustee to agree on an administrative support charge to be paid to the Trustee.
14. At the end of each calendar year, the Trustee shall transfer any balance to the following calendar year and submit to the Conference of the Parties, through the Executive Secretary, the certified and audited accounts for that year as soon as practicable. The Trust Fund shall be subjected to the internal and external auditing procedure of the United Nations as laid down in its Financial Regulations and Rules of the United Nations.

15. In the event that the Conference of the Parties decides to terminate the Trust Fund, a notification to that effect shall be presented to the Trustee at least six months before the date of termination selected by the Conference of the Parties. The Conference of the Parties shall decide, in consultation with the Trustee, on the distribution of any unspent balance after all liquidation expenses have been met.

[16A. The Parties shall reach agreement by consensus on:

- (a) The scale and any subsequent revision to it;
- (b) The budget.]

[16B. The Parties shall make every effort to reach agreement on the budget by consensus. If all efforts to reach consensus on the budget have been exhausted and no agreement has been reached, the budget shall, as a last resort, be adopted by a [two-thirds] [four-fifths] majority vote of the Parties present and voting representing a [two-thirds] [four-fifths] majority vote of the developing country Parties present and voting and a [two-thirds] [four-fifths] majority vote of the other Parties present and voting.]

17. Any amendments to these rules shall be adopted by the Conference of the Parties by consensus.