



Intersessional Meeting of the CCM

16 – 19 April 2012
WMO Room A



1- Background information
on the Financing of an ISU

2- Financing models illustration

3- Recommendations/ or draft
decision



1- Background information on the Financing of an ISU

- a) MSP costs are separate to ISU costs
- b) ISU costs are shared by States Parties only
- c) It is crucial to establish a financing model right from the start
- d) Key principles: sustainability, predictability, partnership and ownership

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1- Background information on the Financing of an ISU

a) MSP costs are separate to ISU costs

The costs of Meetings of States Parties and Review Conferences are completely different from the costs of the ISU. The costs of MSPs, in accordance with article 14, para 1 of the CCM, shall be *“borne by the States Parties and States not party to this Convention participating therein”* based on a cost-sharing procedure according to UN GA res. 64/248 adjusted to number of States participating.

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1- Background information on the Financing of an ISU

b) ISU costs are shared by States Parties only

In practice, the ISU shall be tasked perform a wide range of activities, as enshrined in the President working paper. States Parties to the CCM will be charged for such activities, albeit not exclusive to States Parties, but will benefit States not Party to the CCM and other relevant actors.



1- Background information on the Financing of an ISU

c) It is crucial to establish a financing model right from the start

In order to ensure that an ISU is independent, inclusive, transparent, effective, efficient and accountable to States Parties, and in conformity with the principles agreed on in the 2MSP, it is crucial to get the financial model right from the start, and prior to the formal set up of the ISU in itself.

Ref: article 29 of the final document of the 2 MSP/ and the directive



1- Background information on the Financing of an ISU

d) Key principles: sustainability, predictability, partnership and ownership

The CCM is the culmination of the Oslo Process, where States, big or small, low- middle or high income, have had equal opportunities of voicing their positions regardless of their statures.

Let us build on the successful lessons learnt...and lend our shoulders to each other...

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2-Illustration of Financing Models

- a) Voluntary model
- b) Assessed model
- c) Hybrid model

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2-Illustration of Financing Models

a) Voluntary Model Illustration

Whatever X budget is estimated to establish an operational ISU, the questions remain:

Where is this money coming from?

Does it provide a long-term solution for an independent and sustainable ISU?

And key issues remain: sustainability, effectiveness and long-term predictability

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2-Illustration of Financing Models

b) Assessed Model Illustration

With a fictive budget of 1 million annually, this figure will be apportioned among States Parties according to an adjusted scale of assessment, where all States can contribute to the funding of this Unit, depending on their financial capabilities.



2-Illustration of Financing Models

b) Assessed Model Illustration

UN Scale of Assessment aggregated intervals	CCM Prorated Assessed Contributions adjusted to number of States Parties and based on a fictive budget of 1 Million.
0.001 - 0.022 currently contains 38 States Parties	\$ 0 - 500
0.027 - 0.044 currently contains 9 States Parties	\$ 500 - 1,000
0.065 - 0.236 currently contains 5 States Parties	\$ 1,000 - 5,000
0.273 - 0.871 currently contains 7 States Parties	\$ 5,000 - 20,000
1.075 - 4.999 currently contains 5 States Parties	\$ 20,000 - 100,000
> 6.123 currently contains 4 States Parties	\$ > 100,000

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2-Illustration of Financing Models

c) Hybrid Model Illustration

A model which would contain **two** components:

Assessed contributions: to cover core costs, i.e. activities decided by the SPs and are fundamental for an operational and an independent ISU, such as salaries, infrastructure, and intersessional meetings

Voluntary funding: to cover non-core costs, i.e. activities approved by SPs, and these activities shall not draw resources from core funding, such as sponsorship programme, and specific projects anticipated in the future.

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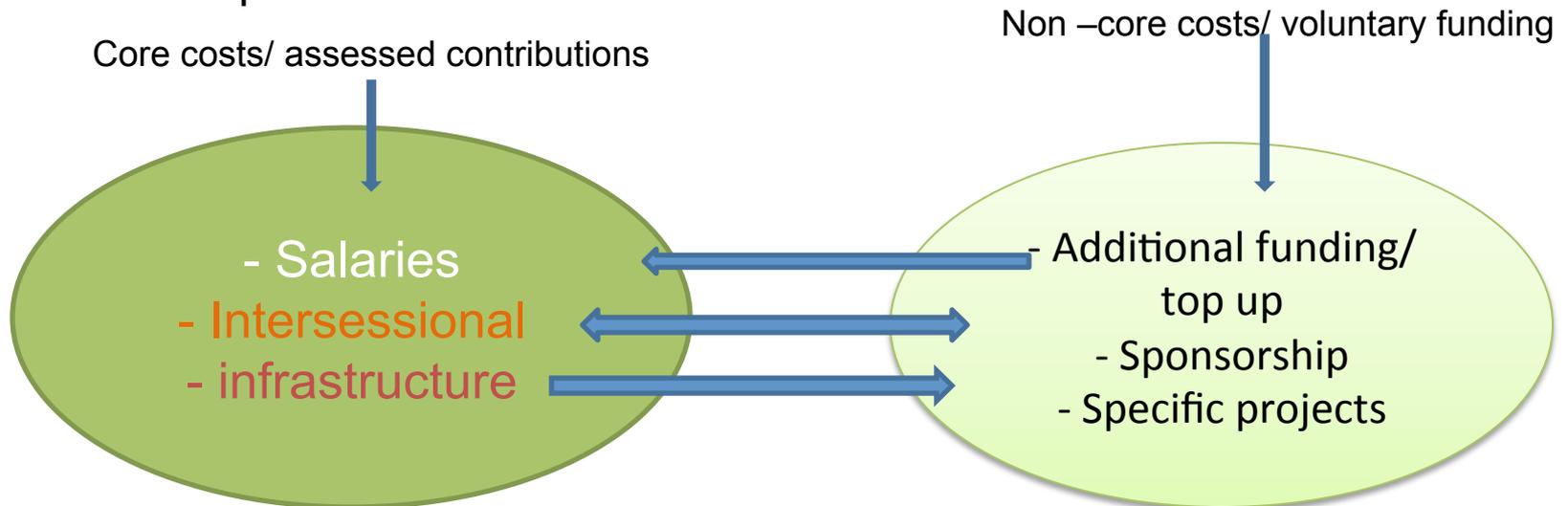
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2-Illustration of Financing Models

c) Hybrid Model Illustration

Voluntary funds foreseen to cover core costs of the ISU, will reduce the assessed part under such a model.



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2-Illustration of Financing Models

c) Hybrid Model Illustration

Core funding: Principle: All activities decided by the states parties	
- Salaries (estimate based on average salaries for ISU staff at MBC ISU, including social costs)	CHF 450 000
- Intersessional meeting costs (except contribution from GICHD, including administration of sponsorship, and the sponsorship programme) Translation, 3 languages, venue & documentation	CHF 50 000
Total for core funding	CHF 500 000
Voluntary funding: Principle: Activities approved by the states parties pending voluntary funding	
- Contribution from the GICHD	CHF 200 000
- Sponsorship for 100 participants per annum, CHF 4000 par pax	CHF 400 000
- Additional funding for core costs/ specific projects..etc	CHF 300 000
Total for non-core funding	CHF 900 000
Grand Total	CHF 1 400 000

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2-Illustration of Financing Models

c) Hybrid Model Illustration

UN Scale Aggregated Intervals	CCM Prorated 1 Million.	No SP paying more than 15 % 500 000 budg.	Waiver of states paying less than 500 500 000 budg.	No SP paying more than 15 %/ Waiver of those less than 500 500 000 budg.
0.001 - 0.022 38 SPs	\$ 0 - 500	47 SPs	47 SPs -(waivered)	47 SPs -(waivered)
0.027 - 0.044 9 SPs	\$ 500 - 1,000	1 SP	4 SPs	1 SP
0.065 - 0.236 5 SPs	\$ 1,000 - 5,000	6 SPs	5 SPs	6 SPs
0.273 - 0.871 7 SPs	\$ 5,000 - 20,000	6 SPs	5 SPs	6 SPs
1.075 - 4.999 5 SPs	\$ 20,000 - 100,000	8 SPs	6 SPs	8 SPs
> 6.123 4 SPs	\$ > 100,000	none	1 SP	none



3-Recommendations/or draft decision

Draft Decision on the President's Proposals for the Hosting Agreement of and the Financing Model for an Implementation Support Unit for the Convention on Cluster Munitions.

- 1) States parties have reviewed the hosting agreement (*in annex A*) proposed to the 3MSP by the 2MSP president, and have decided to approve the hosting agreement, and to mandate the 3MSP president, on behalf of the states parties, to sign the agreement with the Geneva international centre for humanitarian demining.
- 2)States parties have discussed the funding model for the ISU proposed by the 2MSP president, and agreed to a model for the financing structure. The financing of the ISU will be based on A model of contributions from the states parties as described (*in annex B*).
- 3)States parties further encourage those states parties in a position to do so to contribute to the initial core costs of the ISU until the 2013 budget is approved.
- 4)....States parties welcomed the offer of in-kind/monetary contributions from....., To the core costs ensuring adequate work-space for the ISU and from to non-core costs for other specified activities.



3-Recommendations/or draft decision

Draft Decision on the President's Proposals for the Hosting Agreement of and the Financing Model for an Implementation Support Unit for the Convention on Cluster Munitions.

5)States Parties mandated the 3MSP President to start the process to identify and recruit the ISU Director. This process will be undertaken in consultation with the Coordination Committee and taking into account the views of all States Parties, in a transparent manner, and with a view to having the Director in place as soon as possible.

The President shall in consultation with the Coordination Committee prepare a description of and conditions for the position as Director of the ISU.

The President shall act in a transparent manner and the recruitment process shall be conducted in accordance with normal standards and procedures for international institutions based on qualifications and relevant experience. Documented competence to support and cooperate effectively with a broad range of actors and understanding of the implementation complexities facing States Parties should be key criteria when selecting all ISU staff.



3-Recommendations/or draft decision

Draft Decision on the President's Proposals for the Hosting Agreement of and the Financing Model for an Implementation Support Unit for the Convention on Cluster Munitions.

6)States Parties agreed that the first task for the Director is to develop a work plan and budget for 2013, in consultation with the President and Coordinators, to be presented to States Parties no later than the 2013 Intersessional meetings. To get in line with the decision-making procedure for the budget and work-plan as laid out in the ISU Directive, the ISU Director will develop and present the draft work plan and budget for 2014 for approval at the 4MSP.

7)States Parties expect the ISU Director to take all steps necessary to ensure that the ISU fulfils the functions described in the Directive, including by initiating recruitment of ISU staff.

Annex A: Host Agreement between the States Parties and GICHD

Annex B: Financing model



Thank you for your attention!

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