



## **International Hydrological Programme**

17<sup>th</sup> session of the Intergovernmental Council  
(Paris, 3 – 7 July 2006)

### **FUNDING OF IHP: REPORT OF THE FINANCE COMMITTEE**

Item 7.2 of the provisional agenda

#### **SUMMARY**

An analysis of execution of the IHP budget for the biennium 2004-2005 is presented. An overview of the 2006-2007 budget is presented separately in document IHP/IC-XVII/Inf.2. The substantial enhancement of the financial resources to the IHP, due to the principal priority status of “water and associated ecosystems” within UNESCO, has enabled the Secretariat to meet successfully the activities for the implementations of IHP-VI and other emerging obligations.

## INTRODUCTION

1. At its 12<sup>th</sup> session (September 1996), the IHP Intergovernmental Council (IC) established the Finance Committee (FC) as a subsidiary body for the intersessional period until the 13<sup>th</sup> session of the IHP Intergovernmental Council. At that session, the mandate of the FC was renewed for an additional intersessional period. The 14<sup>th</sup> session of the IHP Intergovernmental Council gave the FC a permanent status and approved the Terms of Reference.

2. The FC for the IHP is a subsidiary body of the Intergovernmental Council. Its objective is to act on behalf of the IHP in assessing financial state and needs of the Programme, in undertaking initiatives conducive to secure adequate funding for the Programme and in overseeing the financial execution of the Programme. The FC shall have the character of permanent until the Council decides otherwise.

3. The FC is composed of six Member States representing the different regions. The term of office of the members of the FC begins at the close of the session of the Intergovernmental Council at which they are elected and expires at the close of the second session of the Council following it. It means FC members are elected with a four year mandate. In order to ensure the eligibility of the Member States to the full term of office and to provide for the continuity of the functioning of the Finance Committee, half of the membership, that is, three Member States, should be elected at Council session from among the Member States elected to the Council at the session of the UNESCO General Conference just preceding it.

4. The current members of the FC are Mr. Lucio Ubertini (Italy), Chairperson, representing Western Europe and North America, Mr. Ramakar Jha (India), representing Asia, Mr. Abdul Karim Al Fusail (Yemen), representing Arab States, Mr. P. Stanciu (Romania), representing Central/Eastern Europe, Mr. H.R. Van Vliet (South Africa), representing Africa, and Mr. Silvestre M. Angulo Perez (Cuba), representing Latin America & the Caribbean. The outgoing members are representatives from Central/Eastern Europe, Africa, and Latin America and the Caribbean. They will be replaced by the newly elected representatives from the same regions.

## DEVELOPMENT OF THE FINANCIAL SITUATION

5. The financial situation of IHP has improved considerably since the establishment of the FC in September 1996 (IC, 12<sup>th</sup> Session) to date. The evident budgetary constraints at that time made it difficult for the IHP Secretariat to implement the activities planned by the IC, made it necessary to establish the FC. Owing to the fact that "Water and Associated Ecosystems" became the principal priority of UNESCO and the supporting work of IHP Finance Committees, the upward trend in financial situation has been materialized. Today situation for the Water Programme is considerably better. The regular budget has increased four times compared to 1996.

6. Looking back to the two recent biennia, the sub-programme II.1.1 "Water Interactions: systems at risk and social challenges" has been assigned a substantially reinforced budget of \$8,909,500 for the 2004-2005 biennium (the last biennium), almost double the budget of the 2002-2003 biennium (the second last biennium). In the current biennium, 2006-2007, the total budget for IHP remains more or less that same as last biennium with a small increase even though the Science Sector Budget has been reduced to some extent as shown in the figure depicted in the Annex. Therefore IHP is now in a rather comfortable situation as far as funds

are concerns for the execution of the programme. However, the FC sees the need to address the issue of manpower. Although some additional posts have been created, the IHP needs further strengthening in the area of manpower. It is natural that an expanded programme and enlarged project activities require additional staff. To execute the projects and achieve its objectives, optimum administrative support is a prerequisite for the Secretariat during the planning and implementation phase.

7. Given the fact explained in the previous paragraph that the increase in funding is not matched by a corresponding increase in the manpower available to IHP to implement critical activities, particularly at Headquarters, the FC also would like to request the IC to address this issue.

## **PROGRAMME AND BUDGET 2004/2005 (32 C/5)**

### **Programme Execution 2004-2005**

8. For the 2004-2005 biennium, sub-programme II.1.1 "Water Interactions: Systems at Risk and Social Challenges" was allocated a budget of \$ 8,909,500 at the General Conference. The \$8,909,500 represents roughly an increase of 200 % over the 2002-2003 biennium. About 34.4%, i.e. \$ 3,061,900, was decentralized to the Field Offices, and headquarters retained \$6,101,083. Work plan charges from the approved budget amount to \$715,300, including shared costs for common services, programme support and co-operation for sustainable development. Document IHP/IC-XVI/Inf.3 gives for further information on the 32 C/5 2004-2005 budget.

### **Regular Budget**

9. The total budgetary resources assigned to IHP (working funds for programme execution) for the 2004-2005 biennium can be summarized as follows:

Approved Regular Budget (32 C/5) 2004 – 2005	\$ 8,909,500
<b>Additions</b>	
Contributions (HQ + FO)	\$ 794,383
Carryover funds received	\$ 174,400
<b>Workplan</b>	
Co-operation for Sustainable development	\$ 60,600
Programme operating cost	\$ 461,400
Headquarters Common Charges	\$ 165,500
Evaluation Plan	\$ 27,800
"Net" programme activity funds 32 C/5	\$ 9,162,983

The regular programme funds assigned by 32 C/5 were enlarged by contributions during the biennium, but some unavoidable reductions resulting from the need to cover overall operating costs and common charges affected the net amount available for IHP programme implementation.

10. For the 2006-2007 biennium, sub-programme II.1.1 "Water Interactions: Systems at Risk and Social Challenges" has been allocated a budget of \$ 8,926,400 at the General Conference. This represents roughly an increase of 0.2% over the 2004-2005 biennium. About

38.91% i.e. \$ 3,473,700 at least has been decentralised to Field Offices and Headquarters retained \$ 4,672,300. Work plan charges from the approved budget are estimated to \$ 780,400, including shared costs for common services, programme support and cooperation for sustainable development. Document IHP/IC-XVII/Inf.2 gives further information on the 33 C/5 2006-2007 budget.

11. The total budgetary resources assigned to IHP (working funds for programme execution) for the 2006-2007 biennium, in a similar way, can be summarized as follows as of the month of June 2006:

Approved Regular Budget (33 C/5) 2006 – 2007	\$ 8,926,400
<b>Additions</b>	
Contributions as of end June 2006	\$ 94,270
Carryover funds received	--
<b>Workplan</b>	
Co-operation for Sustainable development	\$ 97,900
Programme operating cost	\$ 331,300
Headquarters Common Charges	\$ 284,700
Evaluation Plan	\$ 66,500
“Net” programme activity funds 33 C/5 (as of end June 2006)	\$ 8,240,270

The somewhat lower net availability with respect to the previous biennium may be offset with further contributions during the current biennium

### **IHP Governance Models**

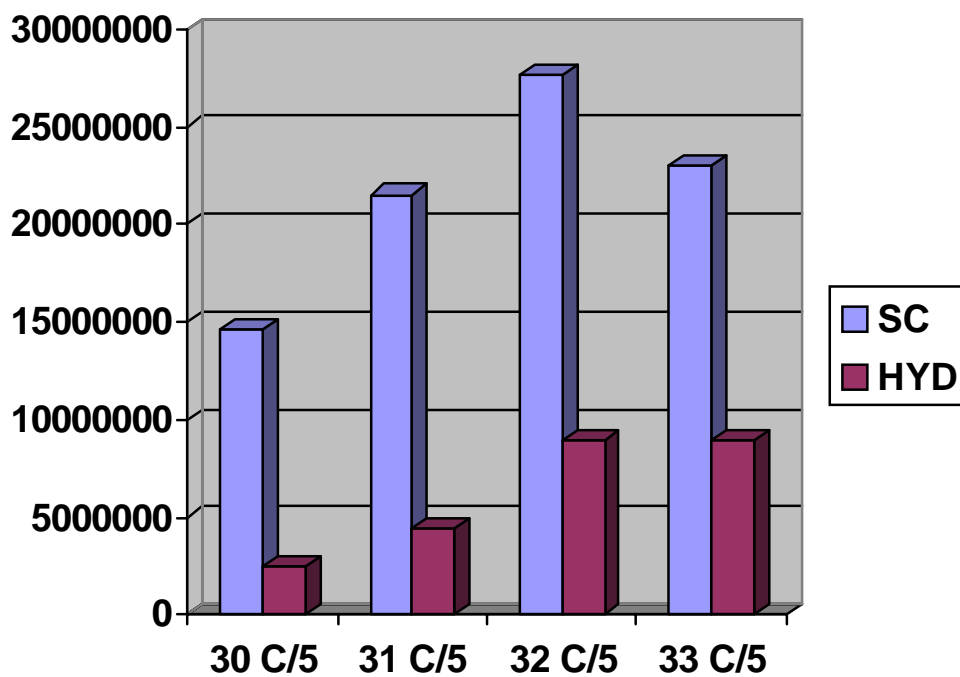
12. Since there is a debate on IHP Governance issue, FC produced a financial analysis for two governance models, centralized and regionalized governance used by the IHP Bureau during its deliberations.

### **CONCLUSIONS**

13. The enhancement of the budget and its guaranteed availability at all times has enabled the IHP Secretariat to implement activities in a balanced and more sustained fashion. This represents an improved situation with an upward trend since 1996 (when serious financial constraints were experienced) until to date. In comparison with the last biennium, current IHP-VI has been running more smoothly than IHP-V, mainly because of the fact that water has been and still is the principal priority in UNESCO, hence there are fewer budgetary uncertainties, and no reduction. However, it is not certain that whether water will continue as principal priority for next medium-term period from 2008 to 2013. As reported in document IHP/IC-XVI/Inf.11, extra budgetary funding for water related activities in UNESCO has shown an overall upswing in recent years. It is hoped this trend will continue in the future to strengthen IHP’s foundations, and personnel availability.

ANNEX

BUDGET



		HYD	SC	HYD / SC %
<b>30 C/5</b>	2000-2001	2.484.800	14.650.500	17%
<b>31 C/5</b>	2002-2003	4.427.400	21.529.000	20%
<b>32 C/5</b>	2004-2005	8.909.500	27.637.400	32%
<b>33 C/5</b>	2006-2007	8.926.400	23.002.000	39%