



**INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND 1992**

ASSEMBLY
2nd session
Agenda item 25

Distr: RESTRICTED
92FUND/A.2/24
29 August 1997

Original: ENGLISH

BUDGET FOR 1998

Note by the Director

1 Introduction

1.1 Article 18.5 of the 1971 Fund Convention requires the Assembly of the 1971 Fund to adopt the annual budget of the Organisation. The corresponding Article of the 1992 Fund Convention requires the 1992 Fund Assembly to adopt the annual budget of that Organisation.

1.2 As decided by the 1971 Fund Assembly at its 2nd extraordinary session and by the 1992 Fund Assembly at its 1st ordinary session, the 1971 Fund and the 1992 Fund have a joint Secretariat. The 1971 Fund Secretariat is responsible for the administration of the two Funds until 15 May 1998, after which date the 1992 Fund Secretariat will administer both Organisations (document 71FUND/A.19/30, paragraph 11).

1.3 The 1971 Fund Secretariat will administer also the 1992 Fund for the entire financial year ending 31 December 1997. The 1971 Fund Secretariat initially pays the total expenditure, and the 1992 Fund will reimburse the 1971 Fund for its share. For this reason the total cost of running the joint Secretariat for 1997 was included in the budget of the 1971 Fund (document 71FUND/A.19/21). As stated in paragraph 1.2 above, the situation will be different for the financial year 1998, since there will be a transfer of the Secretariat functions from the 1971 Fund to the 1992 Fund during the year. In view of this development, the Director submits for consideration by the Assemblies of the two Organisations a single draft budget covering the administrative expenses for 1998 of the 1971 Fund and the 1992 Fund. The draft budget is at the Annex.

1.4 The presentation of the budget follows the requirements of Financial Regulations 5.2 and 5.3 of both Organisations.

1.5 Comparative figures of the Secretariat's administrative expenses for 1996 (actual expenditure and budget appropriations) and for 1997 (budget appropriations) are also given.

1.6 At its 19th session, the 1971 Fund Assembly instructed the Director to review the working methods within the joint Secretariat, possibly with the help of an external consultant, in order to obtain the most efficient and cost effective way of managing the 1971 and 1992 Funds (document 71FUND/A.19/30, paragraph 12.7).

This review is being undertaken (cf document 71FUND/A.20/12). If, as a result of the review, the Assemblies were to take any decisions with budgetary implications, the Director would submit a draft supplementary budget to the Assemblies for consideration.

1.7 Estimates of payments to be made by the 1971 Fund and 1992 Fund for the satisfaction of claims for compensation are contained in documents 71FUND/A.20/24 and 92FUND/A.2/26, respectively.

2 Sharing of joint administrative costs with the 1992 Fund

2.1 As indicated in documents 71FUND/A.20/21 and 92FUND/A.2/23, the Director proposes that, for the period 1 January - 31 December 1998, the costs of running the joint Secretariat of the 1971 and 1992 Funds should be distributed with 60% to be paid by the 1971 Fund and 40% by the 1992 Fund, except where a different distribution is indicated in the Explanatory Notes. The draft budget sets out the apportionment of the costs between the two Organisations on the assumption that the Director's apportionment proposals are adopted. If the Assembly were to decide on a different basis of apportionment between the two Organisations, the distribution in the budget would be revised accordingly.

2.2 For the period 1 January - 15 May 1998, the 1971 Fund will pay the total administrative expenditure of the joint Secretariat and the 1992 Fund will reimburse the 1971 Fund for its share for that period. From 16 May 1998, the 1992 Fund will pay the total expenditure and the 1971 Fund will reimburse the 1992 Fund for its share.

2.3 In document 71FUND/A.20/11, the Director proposes that payment should be made to the 1971 Fund by the 1992 Fund for the transfer of ownership of furniture, office equipment and other supplies, following the transfer of Secretariat functions from the 1971 Fund to the 1992 Fund on 16 May 1998. This payment is estimated at £60 000. This amount has been calculated on the basis of the inventory as at 31 December 1995, the year prior to the establishment of the 1992 Fund, less adjustments for assets purchased prior to 31 December 1995 that have been written off thereafter. It should be noted that, in respect of 1996 and 1997, the cost of the purchase of new assets has been shared between the 1971 Fund and the 1992 Fund.

3 Action to be taken by the Assembly

The Assembly is invited to consider for adoption the draft budget for 1998 for the administrative expenses of the 1971 and 1992 Funds.

* * *

ANNEX

DRAFT 1998 GENERAL FUND BUDGET FOR 1971 FUND AND 1992 FUND

STATEMENT OF EXPENDITURE		Actual 1996		1996 budget		1997 budget		1998 budget appropriations			
		expenditure for 1971		appropriations for		appropriations for		Total		Distribution	
		and 1992 Funds		1971 and 1992 Funds		1971 and 1992 Funds				1971 Fund	1992 Fund
A	SECRETARIAT	£		£		£		£		£	£
I	Personnel										
(a)	Salaries	503 559		515 140		652 140		681 180		408 708	272 472
(b)	Separation and recruitment	9 822		19 430		131 020		24 215		14 529	9 686
(c)	Staff benefits and allowances	160 071		219 050		246 530		250 500		150 300	100 200
(d)	Temporary assistance	8 717		15 000		30 000		30 000		18 000	12 000
(e)	Staff Training	9 316		10 000		10 000		15 000		9 000	6 000
	Sub-total		691 485		778 620		1 089 690		1 000 895	600 537	400 358
II	General Services										
(a)	Rent of office accommodation (including common services, security services and rates)	72 765		93 710		100 580		94 700		56 820	37 880
(b)	Office machines, including maintenance	36 177		25 000		38 000		45 000		27 000	18 000
(c)	Furniture and other office equipment	5 835		8 000		12 000		12 000		7 200	4 800
(d)	Office stationery and supplies	18 775		23 000		20 000		22 000		13 200	8 800
(e)	Communications (telephone, telefax, telex, postage)	26 477		40 000		40 000		45 000		27 000	18 000
(f)	Other supplies and services	18 968		25 000		27 500		26 600		15 960	10 640
(g)	Representation (hospitality)	9 663		14 000		14 000		15 000		9 000	6 000
(h)	Printing and publication	71 800		90 000		90 000		98 000		58 800	39 200
	Sub-total		260 460		318 710		342 080		358 300	214 980	143 320
III	Meetings										
(a)	Autumn sessions of 1971 Fund and 1992 Fund Assemblies and Executive Committees	22 589		21 075		25 000		25 800		20 640	5 160
(b)	Further sessions of 1971 Fund Executive Committee	18 701		31 720		40 000		30 600		30 600	0
(c)	Extra sessions of 1971 Fund and 1992 Fund Assemblies and 1971 Fund Executive Committee	9 829		21 075		30 000		25 800		18 060	7 740
(d)	Extra sessions of 1992 Fund Assembly or Executive Committee	0		0		0		15 300		0	15 300
(e)	Intersessional Working Groups	0		7 930		20 000		20 600		10 300	10 300
	Sub-total		51 119		81 800		115 000		118 100	79 600	38 500

STATEMENT OF EXPENDITURE		Actual 1996 expenditure for 1971 and 1992 Funds		1996 budget appropriations for 1971 and 1992 Funds		1997 budget appropriations for 1971 and 1992 Funds		1998 budget appropriations			
								Total		Distribution	
		£		£		£		£		£	
IV	Conferences and travel										
(a)	Conferences and seminars	12 173		20 000		20 000		20 000		10 000	10 000
(b)	Mission	11 601		20 000		20 000		20 000		10 000	10 000
	Sub-total		23 774		40 000		40 000		40 000	20 000	20 000
V	Miscellaneous expenditure										
(a)	External audit	18 000		18 500		21 000		32 925		22 925	10 000
(b)	Payment to IMO for general services	5 300		5 300		6 000		6 200		3 720	2 480
(c)	Consultants' fees	32 175		80 000		100 000		105 000		52 500	52 500
(d)	Payment to IMO for translator	46 773		45 000		49 950		52 400		31 440	20 960
(e)	Investment Advisory Body	18 000		18 000		18 000		18 000		10 800	7 200
	Sub-total		120 248		166 800		194 950		214 525	121 386	93 140
VI	Unforeseen expenditure (such as consultants' and lawyers' fees, cost of extra staff and cost of equipment)		0		50 000		60 000		60 000	30 000	30 000
Total Expenditure I-VI			1 147 086		1 435 930		1 821 720		1 791 820	1 066 502	725 318
VII	Expenditure relating only to 1992 Fund		70 990		120 000		0				60 000
B	CLAIMS (See documents 71FUND/A.20/24 and 92FUND/A.2/26)										

STATEMENT OF INCOME		Funds actually accumulated as at 31.12.96		1996 budget estimates		1997 budget estimates		1998 budget estimates			
								Total		Distribution	
		£		£		£		£		£	
I	Balance from preceding years	18 086 317	-242 123	10 014 708	0	15 184 524	0	15 943 179		9 609 057	6 334 122
II	Any other income			600 000	0	1 692 224	160 000	1 350 000		500 000	850 000
Total Income I-II		18 086 317	-242 123	10 614 708	0	16 876 748	160 000	17 293 179		10 109 057	7 184 122
III	Income relating only to 1971 Fund		70 990		120 000		0			60 000	

EXPLANATORY NOTES TO THE DRAFT BUDGET

GENERAL

Financial Regulation 3 provides that the financial period of the 1971 Fund and 1992 Fund shall be the calendar year. The draft budget proposed by the Director therefore covers the period 1 January to 31 December 1998.

The draft budget deals only with the administrative expenses and income in respect of the General Funds of the two Organisations. Estimates in respect of claims for compensation against the 1971 and 1992 Funds are dealt with in documents 71FUND/A.20/24 and 92FUND/A.2/26 respectively (see under B below).

In preparing the draft budget, the Director has been guided by the emphasis placed by the Assembly of the 1971 Fund on the importance of keeping the administrative costs at the lowest possible level (document FUND/A.14/23, paragraph 14.2). The Director has also taken into account the fact that, at the 1971 Fund Assembly's 18th session, a number of delegations emphasised the necessity of strengthening the resources of the Secretariat. Reference is further made to the discussions of this issue at the 1971 Fund Assembly's 2nd extraordinary session and its 19th ordinary session (documents 71FUND/A/ES.2/22, paragraph 21.3, and 71FUND/A.19/30, paragraph 12.2).

The estimates of the 1998 draft budget for the two Organisations amount to £1 791 820. This figure is £29 900 lower than the 1997 budget appropriation of £1 821 720.

On the assumption that the Director's proposal for the apportionment of the administrative costs between the 1971 Fund and the 1992 Fund according to the formula 60:40 is approved by the Assembly, the net administrative cost payable by the 1971 Fund and the 1992 Fund as set out in the draft budget would amount to £1 066 502 and £725 318, respectively, compared with a net cost in the 1997 budget of £1 238 004 and £583 716, respectively.

EXPENDITURE

A SECRETARIAT

I Personnel

Staff Regulation 17 of the 1971 Fund provides that the emoluments of members of staff of the 1971 Fund should follow the United Nations common system as applied by the International Maritime Organization (IMO). It has been assumed that a corresponding provision will be included in the 1992 Fund's Staff Regulations when adopted by the 1992 Fund Assembly. The calculation of the appropriation for salaries is based, therefore, on the United Nations salary system as applied by IMO, including all grants, allowances, overtime and insurance payments. The relevant salary scales and the relevant schedules of post adjustments are reproduced as Annexes to the 1971 Fund's Staff Rules (cf document 71FUND/A.20/13). The Provident Fund contributions are calculated in accordance with 1971 Fund Staff Rule VIII.5.

In general, the estimate of £1 000 895 for personnel costs in 1998 is £68 795 lower than the 1997 appropriation. The decrease is due to lower separation and recruitment costs.

In the explanatory note to the draft 1997 budget it was indicated that the holder of the post of Finance/Personnel Officer, Mr S O Nte, would retire on 31 December 1997. The 1997 budget took into account that his successor, Mr R Pillai, would work with Mr Nte during the whole of 1997. The 1997 budget included, therefore, an appropriation for an extra post at level P4 for the newly appointed Finance/Personnel Officer

(cf document 71FUND/A.19/10). On Mr Nte's retirement on 31 December 1997, Mr R Pillai will succeed him as holder of the P5 level post.

At its 19th session, the Assembly created a new professional post at level P3/P4 which the Director was authorised to fill if he considered that it was justified in view of the workload of the Secretariat (document 71FUND/A.19/30, paragraph 12.4). The 1997 budget included an appropriation for this post which has not been filled so far. An appropriation for this post has been retained in the 1998 draft budget.

In April 1997, the Secretary General of IMO decided to bring the grade structure of the IMO General Service salary scale into line with the rest of the United Nations common systems. Historically IMO had an eight-grade (G1 - G8) scale, but for many years the first grade (G1) had not been used. As the United Nations common system has a seven-grade scale, the Secretary-General decided to eliminate the G1 level and re-number grades G2 to G8 as G1 to G7 with effect from 1 April 1997. The Director introduced the corresponding revision of the salary scale for staff in the General Service category of the 1971 Fund with effect from that date.

At its 19th session, the Assembly created a new post of Clerk/Secretary at grade G4 (now grade G3) and authorised the Director to fill this post, if required, and an appropriation for this post was included in the 1997 budget. No recruitment has so far been made to this post. However, the Director has used this appropriation to arrange for a part-time post at level G7 (new scale) for the Director's former secretary, Mrs R Dockerill, on her return from maternity leave, in order for the Secretariat to benefit from her experience. Mrs Dockerill is responsible for certain administrative tasks that would otherwise increase the heavy workload falling on the Director's present secretary. The draft budget includes an appropriation in respect of this new part-time post.

The appropriation for an additional Clerk/Secretary at level G3 (new scale) is maintained. This post will be filled only if required.

Experience has shown that the administration of two Organisations and the introduction of a deferred invoicing system has resulted in a significant increase in the workload of the finance section in particular. The Director proposes the creation of an additional post at level G6 (new scale) to provide this section with sufficient resources. The draft budget includes an appropriation for such a post.

Although the Director is of the opinion that certain posts should be upgraded as a result of the incumbent having taken on more responsibilities, he has decided to postpone any proposals in this respect, pending the outcome of the review of the Secretariat working methods referred to in paragraph 1.6.

In the 1997 budget, the appropriation for salaries of staff in the Professional and higher categories included a 5% increase in the basic salary scales, carried forward from the 1995 and 1996 budgets. However, there was only a small increase of approximately 0.4% in 1997. It has been considered appropriate to include in the 1998 budget a provision for a salary increase of 3% for staff in these categories, in addition to the annual increments which, in accordance with the Staff Regulations, are awarded to staff members (other than the Director) on satisfactory performance of duties (Staff Rule IV.1).

As for the General Service staff, increases in the United Kingdom cost of living are automatically compensated for by changes in salary levels. However, following a survey of the General Service staff salaries and the ensuing recommendation by the International Civil Service Commission, the IMO Council adopted a revised salary scale for staff appointed on or after 1 July 1996 which is 5.3% lower than the scale existing at that time. For staff members appointed before 1 July 1996 the salary scale existing at that time has been frozen until such time as cost-of-living adjustments to the revised scale result in higher net and pensionable salaries. The Director made corresponding amendments to the 1971 Fund's salary scales. It is probable that this freeze will be lifted during 1998. Therefore, an appropriation has been made in the 1998 budget for a 3% increase of the salaries of 1971 Fund staff in the General Service category, in addition to the annual increments.

The appropriation for staff benefits and allowances covers mainly the 1971 and 1992 Funds' contributions to the Provident Fund, education grants, home leave and accident, medical and national insurance.

It may be necessary to make continued use of temporary assistance. Such assistance is used not only when there is additional heavy workload, but also to cover leave periods and to fill any vacancies temporarily until new incumbents are appointed. It is proposed that the appropriation for temporary assistance be retained at the 1997 level of £30 000.

Continued staff training is necessary to increase efficiency within the Organisations. For this reason the appropriation for staff training has been increased to £15 000.

II General services

The appropriations under (a) to (h) are for the general expenses of running the joint Secretariat, such as rent and related expenses, maintenance and replacement of office machines, office equipment, stationery, communications and printing and publication.

The estimate of £358 300 exceeds the 1997 appropriation by £16 220, due mainly to an increase in the appropriations for office machines and printing and publication.

(a) Rent of office accommodation

A ten year lease from 1 November 1992 applies to the offices of the 1971 and 1992 Funds in the IMO headquarters building on the Albert Embankment.

The United Kingdom Government refunds 80% of the rent and rates resulting in only 20% of the rent and rates having to be paid. The United Kingdom Government also refunds 80% of the cost of property insurance, and 80% of the costs of major repairs, replacements and major services. The appropriation has been calculated on a 20% basis.

Under the lease, the Funds will pay the same rent to IMO per square foot exclusive of rates and service charges (after the 80% refund) as IMO effectively pays the United Kingdom Government, namely £8.23 per square foot. For the space occupied by the joint Secretariat (4 734.75 sq ft), ie 19 office rooms, one meeting room and one storage room, the rent will amount to approximately £39 000. This space includes four additional rooms which were made available by the Secretary-General of IMO from January 1997.

An appropriation of £1 700 has also been made to cover rental costs of storage space outside the IMO building.

The 1971 Fund and the 1992 Fund also pay service charges and rates to IMO in proportion to the space occupied by the Secretariat. Service charges cover building insurance, electricity, gas, water and sewerage, building maintenance and renovations, cleaning services, security services, a management fee and a catering services fee. An amount of £48 000 has been included in the 1998 budget in respect of service charges and rates. This figure is lower than the one included in the 1997 budget, as the rates have been decreased for 1998.

In addition, a provision of £6 000 is made to cover the 1971 and 1992 Fund's share of costs relating to the modernisation of the lifts and the security system in the IMO building.

(b) Office machines

This appropriation covers purchases, rental, maintenance and repairs to office machines. The increase in this appropriation is intended to make it possible to replace old computers by more efficient ones.

(c) Furniture and other office equipment

This item covers general costs for maintenance, repairs and replacement of furniture and other office equipment.

(d) Office stationery and supplies

This appropriation has been increased to £22 000.

(e) Communications

The expanded activities of the Secretariat resulting from the administration of two Organisations has necessitated an increase in this appropriation from £40 000 to £45 000.

(f) Other supplies and services

This item covers supplies and services not included under items (a) to (e) and miscellaneous expenditure, such as public information, bank charges, books for the library, periodicals and newspapers. The appropriation has been reduced compared to the 1997 budget level.

(g) Representation (hospitality)

This appropriation relates to hospitality not covered by the Director's representation allowance, eg receptions to be given in connection with meetings of the 1971 Fund or the 1992 Fund and official entertainment by these Organisations. This appropriation has been increased by £1 000 to £15 000.

(h) Printing and publication

Under this heading funds are provided for the publication of a joint Annual Report of the 1971 and 1992 Funds and the printing of documents (other than those prepared for the sessions of the Funds' organs).

In 1998 it will be necessary to publish a revised edition of the joint Claims Manual. A new edition of the booklet containing the 1969 and 1992 Civil Liability Conventions and the 1971 and 1992 Fund Conventions may also be required. There is a constantly increasing demand for these and other Fund publications. For these reasons, the appropriation under this heading has been increased in the 1998 budget from £90 000 to £98 000.

III Meetings

The meetings of the Assemblies and Executive Committees of the 1971 Fund and the 1992 Fund, as well as those of any Intersessional Working Groups, take place in the IMO conference rooms.

Provision is made in the 1998 budget for the following meetings:

- (a) ordinary sessions of the Assemblies of the 1971 and 1992 Funds and sessions of the 1971 and 1992 Funds' Executive Committees in October 1998: five days
- (b) three further sessions of the 1971 Fund Executive Committee: six days
- (c) extraordinary sessions of the Assemblies of the two Organisations in spring 1998, together with a session of the 1971 Fund Executive Committee: five days
- (d) three further sessions of the 1992 Fund Assembly or Executive Committee: three days

- (e) one meeting of an Intersessional Working Group for each Organisation: four days

It should be noted that, as regards the 1992 Fund, the Assembly will be responsible for dealing with claims for compensation until the 1992 Fund Executive Committee is established after 7 July 1998 (cf document 92FUND/A.2/16).

The appropriations for meetings have been apportioned between the 1971 Fund and the 1992 Fund on the basis of the expected duration of the respective meetings and not according to the 60:40 formula.

IV Conferences and travel

This appropriation covers the costs for missions and for attendance at conferences and seminars in which it is in the interest of the 1971 Fund or 1992 Fund to participate. The appropriation has been maintained at the same level as in the past three years.

It should be recalled that at its 17th session, the Assembly of the 1971 Fund instructed the Director to make all possible efforts to encourage States to become Parties to the 1992 Protocol to the Fund Convention (document FUND/A.17/35, paragraph 15.17). As a consequence it may be necessary for members of the Secretariat to undertake additional missions to various States for this purpose. The appropriation for missions has therefore been distributed equally between the two Organisations, and not apportioned in accordance with the 60:40 formula.

V Miscellaneous expenditure

- (a) External audit

The fee for auditing the accounts of the 1971 Fund and the 1992 Fund for the 1997 financial period has been provisionally advised by the United Kingdom National Audit Office as £22 925 for the 1971 Fund and £10 000 for the 1992 Fund.

- (b) Payment to IMO for general services

The Secretariat benefits from IMO's assistance in certain regards. The Conference Division provides services before, during and after Fund meetings. The Common Services Section provides additional telephone, telex and telefax facilities. The Personnel Section provides the services of a staff nurse and passes to the Secretariat all information necessary to implement the Staff Regulations and Staff Rules in accordance with the United Nations common system as applied by IMO.

As from the 1993, a rate of £5 000 per annum, subject to annual increases on the basis of the movement of the United Kingdom Retail Price Index, has been agreed for general services rendered by IMO to the joint Secretariat. The draft budget includes an appropriation of £6 200 for these services.

- (c) Consultants' fees

The 1971 Fund Assembly decided to keep the Fund Secretariat as small as possible and to allow the Director to engage consultants if extraordinary work, which could not be undertaken by the permanent staff members, had to be carried out. The use of consultants may be necessary, for example in connection with studies that have to be carried out, or for consultations of a general nature which are not related to specific incidents.

It is proposed to include in the 1998 budget an appropriation for consultants' fees of £105 000, an increase of £5 000 over the 1997 budget. This appropriation has been distributed equally between the two Organisations, and not apportioned in accordance with the 60:40 formula.

Fees for consultants engaged in connection with incidents are charged against the respective incidents.

(d) Payment to IMO for translator

As decided by the 1971 Fund Executive Committee at its 34th session, it was agreed with IMO that the 1971 Fund should finance the cost of one extra translator to be employed by IMO, in order to resolve the problems which had arisen in respect of the translation of 1971 Fund documents (document FUND/EXC.34/9, paragraph 5.2.2). This appropriation was set at £42 000 in the 1994 and 1995 budgets, at £45 000 in the 1996 budget and at £49 950 in the 1997 budget. This appropriation has been increased to £52 400 for 1998.

(e) Investment Advisory Body

As decided by the respective Assemblies, both the 1971 Fund and the 1992 Fund have an Investment Advisory Body, composed of three external experts with specific knowledge in financial matters. The Assemblies have appointed the same persons to serve on the Investment Advisory Bodies of the two Organisations.

The appropriation for remuneration of the members of the two Investment Advisory Bodies is maintained at £18 000 for 1998.

VI Unforeseen expenditure (such as consultants' and lawyers' fees, cost of extra staff and cost of equipment)

The appropriation under this chapter is designed to cover expenditure that was not foreseen at the time of the adoption of the administrative budget. This appropriation has been maintained at the 1997 level, ie £60 000, and has been distributed equally between the two Organisations.

VII Expenditure only for the 1992 Fund

As set out in paragraph 2.3 of this document, it is proposed that a payment of some £60 000 should be made by the 1992 Fund to the 1971 Fund for the transfer of ownership of office machines, furniture and other supplies.

B CLAIMS

1971 Fund

For the assessment of annual contributions, the 1971 Fund Assembly shall make an estimate in the form of a budget of the payments to be made by the 1971 Fund for the satisfaction of claims for compensation (Article 12.1 of the 1971 Fund Convention). A document to this effect is submitted by the Director to the Assembly (document 71FUND/A.20/24). The total payments to be made during 1998 by the 1971 Fund from the General Fund are estimated at £1 950 055. This estimate covers only incidents in respect of which sufficient information was available at the time of drafting that document on which to base the assessment of amounts to be paid by the 1971 Fund.

1992 Fund

For the assessment of annual contributions, the 1992 Fund Assembly shall make an estimate in the form of a budget of the payments to be made by the 1992 Fund for the satisfaction of claims for compensation (Article 12.1 of the 1992 Fund Convention). A document to this effect is submitted by the Director to the Assembly (document 92FUND/A.2/26). The total payments to be made during 1998 by the 1992 Fund from the General Fund are estimated at either £3 482 620 or £6 866 244, depending on the 1992 Fund Assembly's decision in respect of the *Osung N°3* incident. These estimates cover only incidents in respect of which sufficient information was available at the time of drafting that document on which to base the assessment of amounts to be paid by the 1992 Fund.

INCOME - 1971 GENERAL FUND**I** Balance from preceding years

The estimated surplus is arrived at as follows:

		£
Surplus as at 1 January 1997		18 086 317
<i>Add</i>	£	
Previous years' annual contributions receivable in 1997	248 069	
Initial contributions receivable in 1997	70 136	
Interest earned in 1997 (estimate)	750 000	
	1 068 205	1 068 205
<i>Less</i>	£	19 154 522
Administrative expenditure, Budget 1997	1 238 004	
1996 annual contributions: credits payable in 1997	4 972 170	
General claims expenditure in 1997 (document 71FUND/A.20/24, Annex I)	3 335 291	
	9 545 465	9 545 465
Estimated surplus as at 31 December 1997		9 609 057

II Any other income

There is an estimated income of £560 000, arrived at as follows:

- (a) £500 000 interest to be earned in 1998 on an average principal of approximately £8 million; and
- (b) £60 000 to be paid by the 1992 Fund for the transfer of the ownership of furniture, office equipment and other supplies from the 1971 Fund to the 1992 Fund (document 71 FUND/A.20/11).

INCOME - 1992 FUND GENERAL FUND

I Balance from preceding years

The estimated surplus is arrived at as follows:

		£
Deficit as at 1 January 1997		-242 123
<i>Add</i>	£	
Contributions receivable in 1997	6 999 961	
Interest earned in 1997 (estimate)	160 000	
	7 159 961	7 159 961
<i>Less</i>	£	6 917 838
Administrative expenditure, Budget 1997	583 716	
General claims expenditure in 1997 (document 92FUND/A.2/26, paragraph 2.2.2)	0	
	583 716	583 716
Estimated surplus as at 31 December 1997		6 334 122

II Any other income

There is an estimated income of £850 000 in interest to be earned in 1998 on an average principal of approximately £12 million.
