

INTERNATIONAL
OIL POLLUTION
COMPENSATION
FUND

ASSEMBLY - 6th session
Agenda item 12

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DRAFT BUDGET FOR 1984

Note by the Director

1 Article 18.5 of the Fund Convention requires the Assembly to adopt the annual budget of the IOPC Fund. The draft budget 1984 with explanatory notes, as prepared by the Director, is at the Annex.

2 The presentation of the budget follows the requirements of Financial Regulations 3.2 and 3.3. In accordance with the wishes expressed by the Assembly, the 1982 actual expenditure figures as well as the 1983 budget appropriations are given in addition to the 1984 draft budget appropriations.

3 The Assembly is invited to consider the draft budget 1984 for adoption.

ANNEX

DRAFT BUDGET FOR 1984

STATEMENT OF EXPENDITURE		1982 actual expen- diture	1983 budget appro- priation	1984 budget appro- priation
		£	£	£
A	<u>SECRETARIAT</u>			
I	<u>Personnel</u>			
	(a) Salaries	95 129	103 800	128 380
	(b) Separation and Recruitment	14 766	7 850	17 300
	(c) Staff benefits and allowances	25 629	28 650	44 320
		<u>135 524</u>	<u>140 300</u>	<u>190 000</u>
II	<u>General Services</u>			
	(a) Rent of office accommo- dation (including common services, security- services and rates)	15 500*	13 000	15 000
	(b) Office machines, including maintenance	1 082	4 000	12 500
	(c) Furniture and other office equipment	1 021	1 000	1 500
	(d) Office stationery and supplies	2 445	2 000	2 500
	(e) Communications (telex, telephone, postage)	3 157	5 500	6 000
	(f) Other supplies and services	3 157	4 000	4 500
	(g) Hospitality	716	4 500	6 000
	** (h) Printing & Publication	1 860	4 000	4 000
		<u>28 938</u>	<u>38 000</u>	<u>52 000</u>

* This figure is the budget appropriation and not the actual expenditure figure which cannot be given as bills have not yet been presented by IMO.

** Previously under Chapter V. Transferred to Chapter II by decision of the fifth session of the Assembly

	1982 actual expen- diture £	1983 budget appro- priation £	1984 budget appro- priation £
III <u>Meetings</u>			
(a) Session of Assembly and meeting of Executive Committee in autumn	10 128	14 000	15 400
(b) Additional meeting of Executive Committee	4 965	8 400	-
(c) One further meeting (Assembly or Executive Committee)	-	5 600	6 200
	<u>15 093</u>	<u>28 000</u>	<u>21 600</u>
IV <u>Conferences and Travel</u>			
(a) Conferences and seminars	4 037	8 000	8 000
(b) Mission	3 058	7 000	7 000
	<u>7 095</u>	<u>15 000</u>	<u>15 000</u>
V <u>Miscellaneous Expenditure</u>			
(a) External Audit	6 600	7 500	7 500
(b) Payment to IMO for general services	11 595	13 968	5 000
(c) Consultants' fees	-	4 000	4 000
	<u>18 195</u>	<u>25 468</u>	<u>16 500</u>
TOTAL EXPENDITURE I - V	<u>204 845</u>	<u>246 768</u>	<u>295 100</u>

B CLAIMS

(See document FUND/A.6/10
Assessment of annual contributions)

STATEMENT OF INCOME - GENERAL FUND

I <u>Surplus Fund from Preceding Years</u>	2 290 962	2 096 885	2 338 754
II <u>Any Other Income</u>	-	220 000	180 000
TOTAL INCOME I & II	<u>2 290 962</u>	<u>2 316 885</u>	<u>2 518 754</u>

Explanatory Notes to the Draft Budget

General

Financial Regulation 2 provides that the financial period of the IOPC Fund shall be the calendar year. The draft budget proposed by the Director therefore covers the period from 1 January 1984 to 31 December 1984.

The draft budget deals with administrative expenses and income in respect of the general fund only. Budget estimates in respect of claims are dealt with in document FUND/A.6/10 (see (B) below).

The Budget

EXPENDITURE

I Personnel

The calculation of the salaries is based on the salary scheme as applied by IMO, including all grants, allowances, overtime and insurance payments, having regard to Staff Regulation 14 which provides that the emoluments of the IOPC Fund's staff members should follow the UN common system as applied by IMO. The relevant IMO salary scales and schedules of post adjustments are reproduced as Attachments I - VII in document FUND/EXC.10/4 (Amendment of Staff Rules). The Provident Fund contributions are calculated in accordance with Staff Rule VIII.5.

Should the present Director's contract, which expires in December 1983, be extended for another year the 1983 budget appropriation for his repatriation grant and removal cost will not be needed for 1983. In the event, corresponding figures have to be inserted in the 1984 budget appropriations and they are included at £8 700 and £600, respectively, in the calculation of the Director's emoluments. This appropriation also includes an increase in the Director's representation allowance to US \$4 000 (£2 600) from US \$2 250 which has been the allowance since 1978. Should the new Director take office during 1984, recruitment expenses, including fares, removal and installation grant have to be appropriated. They have been included at £8 000.

The calculation also includes an amount of £7 650 in respect of home leave for the Professional Staff (Staff Rule V.3).

The calculation of the Messenger's emoluments is based on the assumption of the conversion of his contract from part-time to full-time.

In detail, the appropriation is based on the following calculations:

	1982	1983	1984
	actual	budget	budget
	expen-	appro-	appro-
	diture	priation	priation
	£	£	£
Director (D-2)	49 510	57 850	70 580
Director (Recruitment)	-	-	8 000
Professional Officer (P-4)	43 679	33 000	42 690
Finance Officer (P-1)	16 617	19 000	25 200
Director's Secretary (G-8)	10 487	12 600	12 660
Senior Clerk-Secretary (G-5)	7 811	9 450	9 490
Senior Clerk-Secretary (G-5)	7 345 (G-4)	8 400	9 240
Messenger (G-2)	-	-	6 240
Temporary Assistance & Staff Training	75	-	1 400
	<u>135 524</u>	<u>140 300</u>	<u>185 500</u>

II General Services

The appropriations under (a)-(h) are for the general expenses of running the IOPC Fund's Secretariat, such as maintenance and repairs of office machines, purchasing of office equipment, stationery, communications and printing. In addition, the following explanations are given:

Rent of office accommodation (a)

In November 1982 the IOPC Fund moved into the IMO new headquarters building on the Albert Embankment, where a minimum of a ten-years' lease has been promised by IMO.

Regarding the new headquarters, IMO will, after consultation with the United Kingdom Government, charge all sub-tenants, including the IOPC Fund, a market rate for their accommodation. As yet no agreement has been reached with IMO on the actual amount payable. However, the appropriation is calculated at an approximate rate of £15 per square foot. The figure allowed for the rent in the new headquarters building is for the rent of eight office rooms plus one storage room, presently occupied by the Secretariat.

As in previous years, the United Kingdom Government refunds 80% of the rent to the IOPC Fund and the IOPC Fund pays only 20% of the rent to IMO. The appropriation is calculated on this 20% basis.

Office Machines (b)

The appropriation includes an amount of £10 000 for the purchase of a word processing system. The Director is of the opinion that the availability of such a system in the Fund's Secretariat would considerably facilitate and expedite the IOPC Fund's work and improve its quality. Not only the production of documents for meetings of the Assembly and the Executive Committee, and the annual reports, but also the typing of standard letters, the keeping of records regarding claims, the storage of information on incidents, the calculation and typing of invoices and many other aspects of the Secretariat's duties could be better and much more efficiently performed with the assistance of a word processor. The availability of a word processor will certainly reduce the IOPC Fund's need for the employment of temporary secretarial assistance.

Preliminary information regarding the price of a word processing system shows that an appropriation of £10 000 will be required to purchase a system satisfying the IOPC Fund's needs. It will include two work stations, a limited storage capacity and allow an extension, should the need arise in future years. One of the estimates obtained is attached.

Other supplies and services (f)

This appropriation contains funds for supplies not covered in sub-paragraphs (a) to (e) and a figure for miscellaneous expenditure, such as public information, unforeseen expenditure, bank charges, books for the IOPC Fund's library, periodicals and newspapers. The 1982 appropriation under this heading was exceeded slightly. It is, therefore, necessary to make sufficient provision for 1984.

Hospitality (g)

This appropriation is necessary for hospitality not covered by the Director's representation allowance, eg receptions to be given at IOPC Fund meetings or official entertainment by the IOPC Fund. There is also provision for a reception on the appointment of a new Director, when the present Director's contract expires, as well as provision for a reception during the Diplomatic Conference to be held in the Spring of 1984.

Printing and Publication (h)

The Executive Committee has decided that the report on the activities of the IOPC Fund during the previous calendar year should be published in printed form. In addition, the appropriation is to allow for adequate provision for the printing of any other necessary documents.

III Meetings

The IOPC Fund's Assembly and Executive Committee meetings in Autumn 1984 will take place in one of the IMO conference rooms. Provision is made for two meeting sessions, one of five days' duration for the annual Assembly and the Executive Committee sessions in autumn 1984 and one of three days' duration for another possible meeting of the Assembly or the Executive Committee.

For the 1984 budget a 5% inflation rate over the 1983 figures has been used.

IV Conferences and Travel

Based on past experience, the appropriation is necessary to provide sufficient funds for the attendance at conferences and seminars, participation in which is in the IOPC Fund's interest. The appropriations are the same as in the 1983 budget.

V Miscellaneous Expenditure

(a) External audit

The fee for the External Auditor for the period 1984 has been provisionally advised as £7 250 by the United Kingdom Exchequer and Audit Department. In the light of past experience, however, a figure of £7 500 is being used for the 1984 budget.

(b) Payment to IMO for general services

The IOPC Fund's administration still depends to some extent on IMO's assistance: the Personnel Section provides the services of a staff nurse and passes to the IOPC Fund all information necessary to implement the Staff Regulations and Staff Rules in accordance with the UN common system as applied by IMO; the Common Services Section provides telephone and telex services; the Conference Section provides services before, during and after IOPC Fund meetings.

It has not yet been possible to reach an agreement with IMO on the amount to be paid for these services in 1984. In view of the fact that the IOPC Fund's reliance on IMO under this head has been considerably reduced due to the employment of a messenger by the IOPC Fund, it has been agreed between the IOPC Fund and IMO that there should be a considerable reduction in the amount payable to IMO in this respect, and that the calculation should be based on the actual extent of services rendered rather than on a percentage of the IOPC Fund's administrative expenses. For 1984 an appropriation of £5 000 should be reasonably sufficient to meet the case.

(c) Consultants' fees

It was the decision of the IOPC Fund's Assembly to keep the IOPC Fund's permanent staff as small as possible and to allow the Director to employ consultants if some extraordinary work had to be done that could not be done by the permanent staff members. This may occur in connection with studies that have to be carried out by the IOPC Fund. An appropriation of £4 000 should be sufficient in the light of experience gained so far. Fees for consultants who will be employed in connection with incidents will be charged against the claims accounts.

B CLAIMS

For the assessment of annual contributions the Assembly shall make an estimate in the form of a budget (Article 12.1 of the Fund Convention). A document to this affect is submitted by the Director to the Assembly (FUND/A.6/10).

INCOME - GENERAL FUND

I Surplus Fund from Preceeding Years

The surplus is arrived at as follows:

Surplus account at 1 January 1983	2 290 962
<u>Add</u>	
Contribution receivable in 1983	610 000
Interest earned	250 000
	<u>3 150 962</u>
<u>Less</u>	
Administrative expenditure (Budget 1983)	246 768
General claims expenditure	565 440 812 208
	<u>2 338 754</u>

II Any Other Income

The figure for interest to be earned in 1984 is estimated on an average principal of £2 000 000 at 9% per annum during the calender year, giving a yield of £180 000.



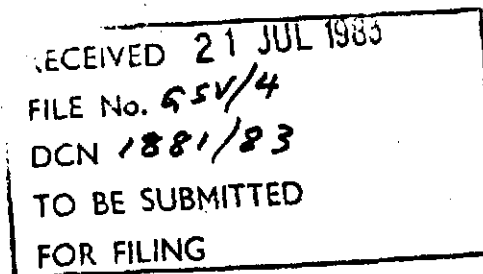
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nwa/lmh

July 18th, 1983

ATTACHMENT



Office Automation Systems

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Dr. Reinhard H. Ganten,
Director,
I.O.P.C.,
4, Albert Embankment,
London SE1

Dear Dr. Ganten,

Thank you very much for the time and courtesy extended to me at our recent meeting. I hope that you found it interesting to hear about our products and Company, as I did about your Organisation.

No doubt you will be speaking further with Mr. Peter Meneczer of Inmarsat, and I hope that our discussions will enable you to implement our recommendations.

An NBI System will bring efficiency and productivity to your office, especially when you have problems with high volumes of paperwork and where speed and quality of typing are important. It is a highly efficient method for producing typed documents of superb quality. Letters, Reports and other work can be typed, revised, updated, reformatted and printed on any kind of paper - accurately, easily and extremely quickly.

A standard typewriter keyboard is used for typing text. Function keys arranged in groups according to their uses, control the formatting of the text and other functions such as document filing and indexing.

NBI Systems can support English, French and German with Spanish as an additional software option. A comprehensive growth path is a characteristic of all NBI Systems.

The options available to expand your System are as follows:

With the System 4000, additional Systems may be acquired to act as stand-alone Word Processors, and they may all be linked to a Central Control Unit. This may be expanded as your document storage increases, which gives immediate access to a larger amount of information, without having to use floppy discs.

The System 3000 may support two screens in its stand-alone capacity and may also be linked to a Central Storage Unit and act as part of a Shared System. With the System 3000 a second terminal may be attached as a Slave Unit, thus allowing two Operators use of the System.

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Full training and engineering support comes as standard with every NBI System. As well as operator training at our centre in the West End of London, our Marketing Support Representatives provide on-going assistance and promote full use of the functions available.

I hope this is of interest to you and I shall telephone you soon to discuss this further, but should you have any queries in the meantime, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Nigel Alexander'. The signature is written in a cursive style with a large, looped 'N' and a trailing flourish.

Nigel Alexander
Sales Executive.

A handwritten signature in dark ink, appearing to read 'John Lewis'. The signature is written in a cursive style with a large, looped 'J' and a trailing flourish.

John Lewis
Branch Manager

nwa/lmh/3

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July 18th, 1983

QUOTATION

<u>Description</u>	<u>Price £</u>
NBI System 4000 Single Sided Single Density Disks (100 Pages Storage per Disk)	5,095.00
NBI System 3000 Single Sided Single Density Disks	4,650.00
NBI System 3000 Second Station	2,100.00
Diablo Letter Quality Printer including Interface	2,325.00

Basic Text-Editing Software included in the above prices.

MAINTENANCE CHARGES

Billed Quarterly

System 4000 Dual Drive Single Sided Density	580 per annum.
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Printers	280 per annum.
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Leasing Facilities are available over 3 or 5 years.
