

INTERNATIONAL OIL POLLUTION COMPENSATION FUND

FONDS INTERNATIONAL D'INDEMNISATION POUR LES DOMMAGES  
DUS A LA POLLUTION PAR LES HYDROCARBURES

ASSEMBLY -  
1st extraordinary session  
Agenda item 8

FUND/A/ES.1/6  
15 August 1980  
Original: ENGLISH

DRAFT BUDGET FOR 1981

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 1981 with explanatory notes as prepared by the Director is annexed hereto.
2. The presentation of the budget follows the requirements of Financial Regulations 3.2 and 3.3.
3. The Assembly is invited to consider the draft budget for 1981 for adoption.

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ANNEX

## DRAFT BUDGET FOR 1981

## STATEMENT OF EXPENDITURE

A. SECRETARIAT

£

£

I. Personnel

- |                                       |        |  |
|---------------------------------------|--------|--|
| (a) Salaries, allowances and overtime | 95,000 |  |
| (b) Social security                   | 16,000 |  |

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111,000

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II. General Services

- |   |       |
|---|-------|
| (a) Rent of office accommodation<br>(including common services,<br>security services and rates) | 9,000 |
| (b) Office machines, including<br>maintenance   | 1,500 |
| (c) Furniture and other office<br>equipment   | 1,500 |
| (d) Office stationery and supplies  | 3,000 |
| (e) Communications (telex,<br>telephone, postage)   | 4,200 |
| (f) Other supplies and services   | 3,500 |
| (g) Hospitality   | 1,800 |

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24,500

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III. Meetings

- |  |       |
|--|-------|
| (a) Fourth session of Assembly and<br>meeting of Executive Committee<br>in autumn 1981 | 9,000 |
| (b) One further meeting (Assembly<br>or Executive Committee) during<br>1981            | 5,400 |

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14,400

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IV. <u>Conferences and Travel</u>	£	£
(a) Conferences and seminars	5,000	
(b) Mission	12,000	
		<hr/> 17,000 <hr/>
V. <u>Printing and Publication</u>		500
VI. <u>Miscellaneous Expenditure</u>		
(a) External audit	3,850	
(b) Payment to IMCO for "overhead costs" 1981	10,635	
(c) Consultants' fees	6,000	
		<hr/> 20,485 <hr/>
TOTAL EXPENDITURE I-VI		<hr/> 137,885 <hr/> <hr/>

B. CLAIMS

(See document FUND/A/ES.1/7  
Assessment of annual contributions)

## STATEMENT OF INCOME

	£
I. <u>Surplus Funds from Preceding Years</u>	2,197,515
II. <u>Any Other Income</u>	
Interest to be earned in 1981	<hr/> 260,000 <hr/>
TOTAL INCOME I & II	<hr/> 2,457,515 <hr/> <hr/>

Explanatory Notes to the Draft Budget

General

Financial Regulation 2 provides that the financial period of the Fund shall be the calendar year. The draft budget proposed by the Director therefore covers the period from 1 January 1981 to 31 December 1981.

The Budget

EXPENDITURE

A. SECRETARIAT

I. Personnel

The calculation is based on the salaries as paid by IMCO, including all grants, allowances, overtime, Provident Fund contributions and insurance payments, having regard to Staff Regulation 14 which provides that the emoluments of the Fund's staff members should follow the UN common system as applied by IMCO.

The calculation includes an amount of £1,800 for the Professional Officer's home leave to Tokyo (Staff Rule V.3).

In detail the appropriation is based on the following calculations:

	£
Director (D.2)	43,000
Professional Officer (P.4)	29,500
Administrative Assistant (G.8)	12,500
Director's Secretary (G.7)	10,500
Senior Clerk-Secretary (G.5)	8,200
Clerk-Secretary (G.4)	7,300
	<hr/>
	111,000
	<hr/>

## II. General Services

### (a) Rent of office accommodation

The Fund occupies office accommodation sub-let by IMCO in an office building at 1-4 Yarmouth Place. The rent to be paid to IMCO is calculated on a pro rata basis. The appropriations are based on the office rooms at present occupied by the Fund on the second floor.

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

### (b) Office machines

The appropriation for office machines includes funds for the prompt replacement of any item of machinery, should the need arise.

### (c) Furniture and other office equipment

The appropriation is for smaller items and for replacement purposes, if the situation arose.

### (d) Office stationery and supplies

This appropriation is based on past experience.

### (e) Communications (telex, telephone, postage)

This appropriation includes the funds necessary to maintain the Fund's independent telephone system operated in addition to the IMCO system in which the Fund will still be included.

### (f) Other supplies and services

This appropriation contains funds for supplies not covered by sub-paragraphs (b) to (e) and a figure for miscellaneous expenditure, such as public information, unforeseen expenditure and bank charges. In particular, a figure of £1,000 is required to provide for the designing of a crest for the Fund.

(g) Hospitality

This appropriation is necessary for hospitality not covered by the Director's representation allowance e.g. receptions to be given at meetings of the Fund's organs or official entertainment by the Fund.

III. Meetings

The Fund's Assembly and Executive Committee meetings in autumn 1981 will take place in the IMCO Conference Room. Provision is made for two meeting sessions, one of five days' duration for the annual Assembly and the Executive Committee sessions in autumn 1981 and one of three days' duration for possibly another meeting of the Assembly or the Executive Committee.

For the 1980 budget, the Director agreed with IMCO that the actual cost of servicing the 1980 meetings, excluding the cost for services rendered by the personnel of IMCO Conference Division which is included in the overhead costs (see VI(b)), should be chargeable to the Fund according to the estimates given in the explanation to the draft budget 1980 (document FUND/A.3/8, page 7). The appropriation made for 1981 is based on these figures but has been adjusted to allow for inflation and for additional expenses for overtime, changes in the operational rate of exchange of the US Dollar which is IMCO's unit of account, and for additional pre-session, in-session and post-session documentation.

The costs for the three-day meeting have been calculated proportionately.

IV. Conferences and Travel

This appropriation is being kept at the 1980 level.

V. Printing and Publication

Article 26.2 of the Fund Convention states that the Executive Committee shall each year prepare and publish a report on the activities of the Fund during the previous calendar year. The Executive Committee has decided that this report should be published in a printed form. The appropriation is mainly for this purpose.

## VI. Miscellaneous Expenditure

### (a) External audit

The fee for the External Auditor for the period 1981 has been provisionally advised as £3,850 by the United Kingdom Exchequer and Audit Department.

### (b) Payment to IMCO for "overhead costs" 1981

The appropriation for payment to IMCO for overhead costs in 1981 represents 6% of the administrative costs of running the Fund's Secretariat. This rate, which was agreed upon between the Secretary-General of IMCO and the Director, replaces the previous rate of 7%.

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

### (c) Consultants' fees

It was the decision of the Fund's Assembly to keep the 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 Fund. An appropriation of £5,000 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 the budget (Article 12.1 of the Fund Convention). A document to this effect is submitted by the Director to the Assembly (FUND/A/ES.1/7).

# INCOME

## I. Surplus Fund from Preceding Years

The surplus is arrived at as follows:

	£	£
Balance on Income & Expenditure Account 1978/1979		2,107,246
<u>Add</u>		
French initial & 1979 annual contributions receivable in 1980		394,497
Interest earned as at 31.7.80 (actual)		120,958
Interest earned 1.8.-31.12.80 (estimated)		140,000
		<u>2,762,701</u>
<u>Less</u>		
Administrative Expenditure Budget 1980	173,447	
Claims expenditure as at 31.7.80	198,739	
Claims expenditure 1.8.-31.12.80 (estimated)	193,000	565,186
		<u>2,197,515</u>
		<u><u>2,197,515</u></u>

## II. Any Other Income

The figure for interest to be earned in 1981 is estimated on an average principal of £2,000,000 at 13% per annum during the calendar year, giving a yield of £260,000.