

Proposed Budget for 1995-1998 for  
three alternative scenarios and  
consideration of system of servicing  
the Commission's activities

The Informal Consultation in Paris on 10 and 11 April, 1995 unanimously came to the following conclusions:

- travel should be by Executive/Club Class except for the Chairman who should travel First Class;
- Commissioners should be encouraged voluntarily to pay for their own travel expenses;
- regarding servicing of the activities of the Commission the following three alternatives should be considered:
  - . the IOI, with its regional centres, servicing the activities of the Commission including administration, maintenance of accounts, regional hearings, preparation of position papers, agenda etc.; the IOI could be strengthened by up to 5 high grade professionals/consultants as considered necessary;
  - . the IOI being responsible for administration, maintenance of accounts, regional hearings etc. with another secretariat being established for servicing the Commission;
  - . a totally separate secretariat being established with the IOI responsible for the regional hearings.

The Informal Consultation was of the view that each of the alternatives had its pros and cons and that the whole matter should be considered carefully.

Accordingly the Budget has been separately prepared for three alternatives and the position is as below:

	<b>Cost</b>
Alternative I (IOI)	\$3.92 million
Alternative II (IOI & separate secretariat)	\$5.43 million
Alternative III (separate secretariat)	\$6.55 million

The details are at pages 16 to 20 while an explanatory note on the proposed budget is at pages 21 to 31.

#### **Funds Position.**

The position regarding funds is briefly stated.

#### Government of the Netherlands

The Government of the Netherlands has responded favourably to a request for funds (letter from Mr. Pronk, Minister for Development Cooperation at Appendix VI). Though no amount

has been mentioned in the letter, it is understood that the amount may be US\$ 300,000 per year.

Sasakawa Peace Foundation, Japan

The Sasakawa Peace Foundation has agreed to meet all the costs of a plenary meeting to be held in Japan in September, 1995 and amounting to US\$ 300,000 as well as \$ 120,000 for regional hearings in Asia.

Government of Monaco

The Government of Monaco has agreed to fund a plenary meeting of the Commission to be held in early 1996 costing up to US\$ 300,000.

UNDP

A proposal has been sent to UNDP for a grant of US\$ 120,000 for the four IOI Centres in Fiji, Madras, Dakar and Costa Rica for funding regional hearings. The amount of US\$ 120,000 is likely to be approved.

CIDA

CIDA has responded favourably to a request for \$ 30,000 for conducting hearings in Canada.

**Approval of Committee.**

The Preparatory Committee may kindly decide:

- (i) how many of the proposed activities are to be approved.
- (ii) the alternative secretariat system according to which the budget is to be prepared.
- (iii) the strategy to be followed in raising the required funds, including funding and donor agencies to be targeted.

Details of Budget for the Commission  
1995-1998

The Budget, it may be noted, is in modular form and can be adjusted by taking out any activity (plenary meetings of Commission, meetings of Executive Committee, regional hearings etc.). The note as presented would thus enable the Committee to finalise the activities based on estimates of how much money can be raised.

The Informal Consultation held in Paris on 10 and 11 April, 1995 suggested that three alternative budgets be prepared based on:

- the IOI secretariat servicing the Commission with the addition of a core group of 5 high grade professionals to prepare the papers and the report. The IOI Operational Centres would conduct the hearings in 1995 and conclude this work in early 1996. (Alternative I).
- the establishment of a separate secretariat for servicing the Commission and in charge of writing papers and the Report while the IOI would be responsible for the regional hearings, the maintenance of accounts and other administrative matters. (Alternative II).
- the establishment of a totally separate secretariat for the Commission. (Alternative III).

The budget could be thus divided into two parts: the fixed and the variable.

The picture of the **fixed budget** for Meetings and Regional Hearings year-wise is as below:

Item	1995 (8 months)	1996	1997	1998	Total
1.1 Preparatory work	50.0				50.0
1.2 Plenary meetings	175.0	350.0	350.0	-	875.0
1.3 Executive Committee meetings	66.0	116.0	116.0	100.0	398.0

Item	1995 (8 months)	1996	1997	1998	Total
1.4 Regional hearings					
* Meetings	180.0	60.0	-	-	240.0
* Coordination by HQ					
. travel & DSA	24.0	12.0	-	-	36.0
. staff / consult- ants	70.0	50.0	-	-	120.0
. communic- ations	50.0	35.0	-	-	85.0
* Administrat- ion-regional					
. travel & DSA	36.0	12.0	-	-	48.0
. staff / consult- ants	75.0	25.0	-	-	100.0
. communic- ations etc.	80.0	20.0	-	-	100.0
1.5 Expenses of Chairman & Vice Chairman					
* Travel & DSA	112.0	56.0	56.0	24.0	248.0
* administrat- ive assist- ance	50.0	70.0	70.0	20.0	210.0
Total	968.0	806.0	592.0	144.0	2510.0

The **variable budget** as for accounting, administration and report preparation for the three alternatives is as below:

Accounting, administration, report preparation  
Alternative I

In the first alternative, i.e., the IOI Secretariat servicing the Commission, there is marginal addition to the administrative staff of IOI and the addition of 5 high grade professionals in the middle of 1996 to the middle of 1997 for preparing papers for the Commission and finalising the Report. Since IOI has an agreement with the Government of Malta exempting its employees from tax, the cost of five professionals including secretarial assistance is estimated at US\$ 400,000 per year.

All figures in \$'000

Activity	1995	1996	1997	1998
<b>Administration</b>				
2.1 Staff/Consultants	50.0	50.0	50.0	50.0
2.2 Travel & DSA	10.0	10.0	10.0	10.0
2.3 Communications etc.	30.0	30.0	30.0	30.0
<b>Reports</b>				
3.1 Staff/Consultants	-	200.0	200.0	-
3.2 Travel & DSA	-	30.0	30.0	-
3.3 Publishing	10.0	20.0	200.0	-
Admin. Subtotal	100.0	340.0	520.0	90.0
Meetings Subtotal	968.0	806.0	592.0	144.0
<b>Total</b>	<b>1068.0</b>	<b>1146.0</b>	<b>1112.0</b>	<b>234.0</b>

Budget 1995-1998	US\$ 3,560,000
Contingencies @ 10%	US\$ 356,000
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Total	US\$ 3,916,000

**Accounting, administration, report preparation-HO**  
**Alternative II**

In the case of the second alternative, i.e., the establishment of a separate secretariat for servicing the Commission with IOI responsible for administration and accounts, the amount under the head 3.1 Staff/Consultants is estimated at US\$ 700,000 per year (\$ 500,000 for salaries, \$ 100,000 office expenses, \$ 100,000 for supporting staff). It may be noted that the salaries being taxable would be dependent on the taxation structure and living expenses of where the high grade professionals are located. US\$ 100,000 per person is a very conservative figure. The professionals are expected to be in position from 1 July, 1995 - 31 December, 1997.

All figures in \$'000

Activity	1995	1996	1997	1998
<b>Administration</b>				
2.1 Staff/Consultants	50.0	50.0	50.0	50.0
2.2 Travel & DSA	10.0	10.0	10.0	10.0
2.3 Communications etc.	30.0	30.0	30.0	30.0
<b>Reports</b>				
3.1 Staff/Consultants	350.0	700.0	700.0	-
3.2 Travel & DSA	30.0	30.0	30.0	-
3.3 Publishing	10.0	20.0	200.0	-
Admin. Subtotal	480.0	840.0	1020.0	90.0
Meetings Subtotal	968.0	806.0	592.0	144.0
Total	1448.0	1646.0	1612.0	234.0

Budget 1995-1998	US\$ 4,940,000
Contingencies @ 10%	US\$ 494,000
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Total	US\$ 5,434,000

**Accounting, administration, report preparation-HQ**  
**Alternative III**

In the third alternative, 2 professionals - one for accountancy and the other for administration are included under the head 2.1 Staff/Consultants. The cost is on the basis of \$ 200,000 for salaries, \$ 50,000 for supporting staff and \$ 50,000 for office expenses. The staff would have to be there till the end of the Commission's work i.e. from 1 June, 1995 till 31 December, 1998. Other things remain the same as for Alternative II.

All figures in \$'000

Activity	1995	1996	1997	1998
<b>Administration</b>				
2.1 Staff/Consultants	150.0	300.0	300.0	300.0
2.2 Travel & DSA	10.0	10.0	10.0	10.0
2.3 Communications etc.	30.0	30.0	30.0	30.0
<b>Reports</b>				
3.1 Staff/Consultants	350.0	700.0	700.0	150.0
3.2 Travel & DSA	30.0	30.0	30.0	10.0
3.3 Publishing	10.0	20.0	200.0	-
Admin. Subtotal	580.0	1090.0	1270.0	500.0
Meetings Subtotal	968.0	806.0	592.0	144.0
Total	1448.0	1896.0	1862.0	644.0

Budget 1995-1998	US\$ 5,950,000
Contingencies @ 10%	US\$ 595,000
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Total	US\$ 6,545,000

**Expenditure Position.**

The total costs both fixed and variable, under the three alternatives is thus as under:

Alternative I	US\$ 3.92 million
Alternative II	US\$ 5.43 million
Alternative III	US\$ 6.55 million

**Note on the Proposed Budget for the Commission**  
**1995-1998**

The proposed budget for the Commission is based on activities delineated in the Action Plan.

As is clear from the proposed activities, the World Commission on the Oceans would be acting in both a centralised and decentralised manner. On the one hand all decisions vest in the Commission and the Executive Committee while on the other hand it would be, through its Vice Presidents, organising regional hearings and so acting in a fairly decentralised manner.

Its activities would be as under:

Centralised:

- . Preparatory work
- . 5 Plenary meetings of the Commission (1 in 1995, and 2 each in 1996 and 1997)
- . 12 Executive Committee Meetings (2 each in 1995 and 1998, and 4 each in 1996 and 1997)
- . Preparation of:
  - \* information report to UNGA (1995)
  - \* recommendations to Commission on Sustainable Development (1996)
  - \* final report (1997)

Decentralised:

- . holding of regional hearings
- . preparation of documents region-wise for:
  - \* information report to UNGA
  - \* recommendation to CSD
  - \* final report

The schedule of activities is at Appendix I (page 26).

**Fixed Budget - estimates of expenditure**

**1.2 Plenary**

Each plenary (of 3 working days) is expected to cost \$ 175,000 as under:

Air fares for 30 Commissioners	\$ 90,000
DSA for 30 Commissioners (4 days)	\$ 30,000
Air fares for staff (5)	\$ 10,000
DSA for staff (5)	\$ 5,000
Meeting Expenses	\$ 10,000
Communications, telephone, fax etc.	\$ 20,000
Miscellaneous	\$ 10,000
	-----
Total	\$ 175,000



1.3 Executive Committee

Each inter-sessional executive committee meeting (3 days) is expected to cost \$ 50,000 as under:

Air fares for 7 persons	\$ 21,000
DSA for 4 days	\$ 7,000
Air fares for staff (2)	\$ 4,000
DSA for staff (2)	\$ 2,000
Meeting expenses	\$ 5,000
Communications etc.	\$ 5,000
Miscellaneous	\$ 6,000
	-----
Total	\$ 50,000

The executive committee meeting held along with the plenary would cost \$ 8000 for DSA, meeting expenses etc.

1.4 Regional Hearings

Meetings

Each meeting is expected to cost \$ 30,000.

Travel & DSA

The Executive Director and headquarters staff of IOI and the Regional Directors of IOI would also have to undertake journeys. The cost for 1995 is estimated at \$ 60,000 and for 1996 at \$ 24,000.

	1995	1996
	\$	\$
Headquarters staff (8 journeys - 1995, 4 journeys - 1996)	24,000	12,000
Regional directors (8), 2 journeys each	36,000	12,000
	-----	-----
Total	60,000	24,000

Staff expenses

The staff both at headquarters and the regions would need to be augmented. A rough estimate for augmenting the administrative structure would be \$ 145,000 for 1995 and \$ 75,000 for 1996.

	1995 \$	1996 \$
Headquarters	70,000	50,000
Regions (8)	75,000	25,000
	<u>          </u>	<u>          </u>
Total	145,000	75,000

Communications etc.

Other administrative expenses are estimated at \$ 130,000 for 1995 and \$ 55,000 for 1996.

	1995 \$	1996 \$
Communications etc.		
* Headquarters	50,000	35,000
* 8 centres	80,000	20,000
	<u>          </u>	<u>          </u>
Total	130,000	55,000

### 1.5 Chairman and Vice Chairmen

The Chairman and the Vice-Chairmen would have to have funds to cover their travel to the various regional hearings. They would also need secretarial assistance. The costs would be as below:

(in \$'000)

	1995	1996	1997	1998
28 air journeys in 1995, 14 in 1996 and 1997 and 6 in 1998 @ \$ 4,000 per journey	112	56	56	24
Secretarial assistance to Chairman / Vice Chairmen	50	70	70	20
	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
	162	126	126	44

The detailed fixed budget based on the above details may be seen at Appendix II (page 27).

The total meetings expenditure (which is the same for all alternatives) is as below:

\$ '000

	1995	1996	1997	1998	Total
Subtotal for meetings	968	806	592	144	2510

Variable Budget - estimates of expenditure

The budget varies according to the alternative selected.

Administration2.1 Staff / Consultants

When alternative I is selected, the total cost of staff/consultants is taken as the marginal cost of augmenting the staff of IOI which is estimated at \$ 50,000 per annum (p.a.).

The above figures remain unchanged in the case of alternative II because it is still IOI which looks after accountancy, administration etc.

In alternative III, the cost of 2 Professionals (one for administration and the other for accountancy) is taken as \$ 200,000 p.a. with \$ 50,000 for the supporting staff \$ 50,000 for office expenses (rent for office space, furniture, fax etc.) or a total of \$ 300,00 p.a.

2.2 Travel & DSA

This is estimated at \$ 10,000 p.a. in all cases.

2.3 Communications, stationery etc.

This is estimated at \$ 30,000 p.a. in all cases.

Reports3.1 Staff/consultants

In the case of alternative I this is estimated at \$ 400,000 per year. The amount is low because of the salaries being tax free and Malta being 30-40 per cent cheaper than Europe.

In the case of alternative II and III the expenses are estimated at \$ 700,000 p.a. as given below.

Salary of 5 top grade professionals	\$ 500,000
Supporting staff	\$ 100,000
Office expenses (rent etc.)	\$ 100,000
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Total	\$ 700,000

3.2 Travel and DSA

This is estimated at \$ 30,000 p.a. in all cases.

**3.3 Publishing**

1000 copies interim report to UNGA (50 pages)	\$ 10,000
1000 copies recommendation to CSD (100 pages)	\$ 20,000
5000 copies final Report - 3 volumes in book form (1000 pages)	\$ 200,000

**Total Budget**

The total costs for the three alternatives (details at Appendices III to V) are as below:

Alternative I	US\$ 3,916,000
Alternative II	US\$ 5,434,000
Alternative III	US\$ 6,545,000.

Activity	Yr	1995				1996				1997				1998				
		Qtr	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
<u>Centralised</u>																		
1.1 Preparatory work		x																
1.2 Plenary Meetings				x		x		x		x		x						
1.3 Execut- ive Com- mittee			x	x		x	x	x	x	x	x	x	x		x		x	
1.4 Prep- aration of reports etc.				x				x				x						
<u>Regional</u>																		
2.1 Hearings			x	x	x													
2.2 Prepara- tion of docum- ents			x				x				x							

Meetings & Regional Hearings

All figures in \$'000

Activity	1995	1996	1997	1998	Total
1.1 Preparatory	50.0	-	-	-	50.0
1.2 Plenary					
* Travel & DSA	135.0	270.0	270.0	-	675.0
* Administration	40.0	80.0	80.0	-	200.0
1.3 Executive Committee					
* Travel & DSA	40.0	74.0	74.0	68.0	256.0
* Administration	26.0	42.0	42.0	32.0	142.0
1.4 Regional hearings					
* Meetings	180.0	60.0	-	-	240.0
* Coordination-HQ					
. Travel & DSA	24.0	12.0	-	-	36.0
. staff / consultants	70.0	50.0	-	-	120.0
. communications etc.	50.0	35.0	-	-	85.0
* Administration - Regional					
. travel & DSA	36.0	12.0	-	-	48.0
. staff / consultants	75.0	25.0			100.0
. communications etc.	80.0	20.0			100.0
1.5 Expenses of Chairman / Vice Chairmen					
* travel & DSA	112.0	56.0	56.0	24.0	248.0
* admin. assistance	50.0	70.0	70.0	20.0	210.0
Meetings Subtotal	968.0	806.0	592.0	144.0	2510.0

Accounting, administration, report preparation  
Alternative I

All figures in \$'000

Activity	1995	1996	1997	1998
<b>Administration</b>				
2.1 Staff/Consultants	50.0	50.0	50.0	50.0
2.2 Travel & DSA	10.0	10.0	10.0	10.0
2.3 Communications etc.	30.0	30.0	30.0	30.0
<b>Reports</b>				
3.1 Staff/Consultants	-	200.0	200.0	-
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Budget 1995-1998	US\$ 3,560,000
Contingencies @ 10%	US\$ 356,000
	-----
Total	US\$ 3,916,000

Accounting, administration, report preparation-HQ  
 Alternative II

All figures in \$'000

Activity	1995	1996	1997	1998
<b>Administration</b>				
2.1 Staff/Consultants	50.0	50.0	50.0	50.0
2.2 Travel & DSA	10.0	10.0	10.0	10.0
2.3 Communications etc.	30.0	30.0	30.0	30.0
<b>Reports</b>				
3.1 Staff/Consultants	350.0	700.0	700.0	-
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Budget 1995-1998	US\$ 4,940,000
Contingencies @ 10%	US\$ 494,000
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Total	US\$ 5,434,000



Accounting, administration, report preparation-HO  
Alternative III

All figures in \$'000

Activity	1995	1996	1997	1998
<b>Administration</b>				
2.1 Staff/Consultants	150.0	300.0	300.0	300.0
2.2 Travel & DSA	10.0	10.0	10.0	10.0
2.3 Communications etc.	30.0	30.0	30.0	30.0
<b>Reports</b>				
3.1 Staff/Consultants	350.0	700.0	700.0	150.0
3.2 Travel & DSA	30.0	30.0	30.0	10.0
3.3 Publishing	10.0	20.0	200.0	-
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<b>Total</b>	<b>1548.0</b>	<b>1896.0</b>	<b>1862.0</b>	<b>644.0</b>

Budget 1995-1998	US\$ 5,950,000
Contingencies @ 10%	US\$ 595,000
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<b>Total</b>	<b>US\$ 6,545,000</b>

Ministry of Foreign Affairs

The Hague

**To:**

Ms. E. Mann Borgese  
International Ocean Institute  
Dalhousie University  
1226 Le Marchant Street  
Halifax, Nova Scotia  
CANADA B3H 3P7

**Date:**

23 januari 1995

**Reference:**

DIO/JS-2474

**Subject:**

Subsidy request World Commission  
for the Oceans

**Department:**

DIO/JS

Thank you for your letters of 25 September and 8 November 1994. I support the establishment of a Commission with sufficient authority worldwide to draw attention to the importance of sustainable ocean development and the law of the sea.

As I indicated earlier I intend to respond positively to your request for a financial contribution. I hope to be able to indicate an exact amount in the near future. The level of the Netherlands contribution, among other things, depends on the confirmed commitments of other contributors. I would also like to suggest that efforts are made to acquire commitments of a wide range of countries which are representative of the various regions of the world. This would certainly enhance the commission's stature and authority.

I look forward to receiving this information. After receiving such information, and after the establishment of the Trust Fund by the Commission, I will inform you about the Netherlands contribution.

**THE MINISTER FOR DEVELOPMENT COOPERATION,**

J. P. Pronk

Discussion on staff/consultants to be appointed, position papers to be commissioned etc.

All previous Commissions have had position papers either prepared by the staff/consultants attached to the Commission or from outside agencies/persons/working groups.

The Committee may like to decide on:

- (i) what position papers need to be prepared for the first Plenary;
- (ii) what position papers need to be prepared for inclusion in the report to the Commission on Sustainable Development in 1996;
- (iii) which individuals/institutions etc. need to be contacted.

Thereafter the Secretary should be asked to prepare the necessary proposals for consideration of the Executive Committee on 3 September, 1995.