

**PROPOSED FINANCIAL RULES FOR THE CARTAGENA CONVENTION, ITS  
CARIBBEAN ENVIRONMENT PROGRAMME, AND TERMS OF REFERENCE FOR  
THE CARIBBEAN TRUST FUND**

**Terms of Reference for the Caribbean Trust Fund**

**Purposes**

1. The Caribbean Trust Fund (hereinafter referred to as the “Trust Fund”) was established in 1983 to provide financial support for the common costs and activities associated with the implementation of the Action Plan for the Caribbean Environment Programme (CEP). The Trust Fund now serves to provide support to the common costs and activities of the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region (Cartagena Convention). The common costs and activities of the Action Plan and Cartagena Convention are collectively defined through the workplan and budget for CEP adopted on a biennial basis at the Intergovernmental meeting of the Caribbean Environment Programme and Conference of the Contracting Parties of the Cartagena Convention.
2. The Eighth Intergovernmental Meeting on the Action Plan for the Caribbean Environment Programme and Sixth Meeting of the Contracting Parties to the Cartagena Convention decided that the Trust Fund would serve as the "primary funding base" of CEP and that the overall coordination and common costs of CEP should be fully funded through the contributions to the trust fund. Therefore, the level of contributions should, at a minimum, guarantee the overall coordination and common costs of the secretariat.
3. In addition to the purposes noted in paragraphs 1 and 2 above, the present document serves as the Financial Rules for the Cartagena Convention, as described in Article 20, paragraph 2 of the Cartagena Convention.

**Definitions**

4. “Fiscal year” means the financial year of the United Nations Environment Programme (UNEP), beginning 1 January and ending 31 December.
5. "Secretariat" means the United Nations Environment Programme (UNEP), the institution which, pursuant to Article 15 of the Convention, has been designated by the Contracting Parties to carry out the Secretariat functions. Within UNEP, and on behalf of UNEP, the Caribbean Regional Coordinating Unit (UNEP-CAR/RCU) is responsible for the administration of the Convention and its related protocols and therefore acts as the Secretariat under the Convention.

**Resources of the Caribbean Trust Fund**

6. Governments in the Wider Caribbean Region participating in the Caribbean Environment Programme agree to pay voluntary contributions to support the Trust Fund. Voluntary

contributions are to be paid on an annual basis at levels agreed to at the Intergovernmental Meetings of CEP and Conferences of Contracting Parties to the Cartagena Convention.

7. Contributions made to the Trust Fund are either ordinary or extraordinary. Ordinary contributions shall consist of the amount agreed to by each member Government for each fiscal year on a biennial basis. Extraordinary contributions are funds provided by member Governments beyond ordinary contributions and include those contributions made by non-member Governments or other donors.
8. Member Governments will be requested to accept the ordinary contribution level at the time they are agreed. In the event that this is not possible, the contribution levels will be accepted on an interim basis for a period of 60 days beginning from the last day of the Intergovernmental Meeting and Conference of the Contracting Parties to the Cartagena Convention. Within the 60-day interim period, member Governments shall seek to confirm their contribution level to the secretariat or to indicate any relevant change.
9. All ordinary contributions are due to be paid in the year for which they were pledged.
10. All contributions shall be allocated in United States dollars, in accordance with the relevant provision of the United Nations for the administration of trust funds. Donors may request that their extraordinary contributions be earmarked for specific purposes, subject to the approval of the Parties, within a list of priorities already approved by the Parties.
11. All contributions shall be paid in to the following address and account:

**UNEP Trust Fund Account No. 485-000-2809**  
JP Morgan Chase  
1166 Avenue of the Americas 17<sup>th</sup> Floor  
New York, NY 10036-2708  
United States of America

Wire transfers should use **ABA No. 021000021**, **SWIFT No. BIC-CHASUS33** or **CHIPS participant No. 0002**

## **Administration**

12. The administration of the Trust Fund is entrusted through the secretariat to the Executive Director of UNEP. The Trust Fund is administered in accordance with the Financial Regulations, Rules and relevant administrative instructions of the United Nations, including the Financial Rules of the Environment Fund. This includes, inter alia, the following:
  - a) Reminding Member States of their agreed commitments to the Trust Fund;
  - b) Obligations against the resources of the Trust Fund may be made only if they are covered by the necessary funds. No obligations shall be made in advance of the receipt of contributions covering those obligations. Therefore, the Executive Director is requested to inform governments of a risk situation in the level of funds received and has the authority to interrupt personnel contracts and other contracts or obligations if the level of contributions received is not adequate;

- c) All expenditures shall be made based on supporting documentation, which ensures that payment is due, and where goods and services are involved that they have been received; and
  - d) the end of the fiscal year, the secretariat shall request the Executive Director, to transfer any uncommitted balances to the following year.
13. At the beginning of each fiscal year, the Executive Director, through the secretariat, is authorized to send an invoice or a balance to member Governments of CEP in the amounts agreed, as described in paragraphs 7 and 8 above. In the event that a member Government has not confirmed the amount of its contribution 30 days before the start of the fiscal year the Executive Director is authorized to send an invoice or a balance to that Government in the amount indicated by the Intergovernmental Meeting or Conference of the Parties. Notwithstanding the other provisions of this paragraph, invoices do not represent a legal obligation to pay the indicated amount, nor any other amount, as all contributions to the Trust Fund are voluntary.
  14. In the financial reports stipulated in paragraphs 18-19 below, the Secretariat may note any amounts that a government had agreed to pay as a voluntary contribution, but did not. The Secretariat should attempt to work with any government that has not paid the amount it agreed to pay, and to determine if that government can pay that amount in a future year. If that government agrees, unpaid amounts may be billed to that government on an annual basis as “unpaid agreed contributions.”
  15. Unpaid contributions can be paid in cash or in-kind as agreed between a member Government and the secretariat on a case-by-case basis. In-kind contributions may include the hosting of in-country workshops and meetings of CEP. In-kind contributions will not be allowed in lieu of current year payments, unless the Parties agree otherwise to allow up to 25% of a government’s contribution to be made through an agreed in-kind contribution. The secretariat, through the authority given in the present paragraph shall ensure that the use of in-kind contributions does not undermine the Trust Fund as the core cash resource of CEP and shall report to the Contracting Parties on the use of this mechanism.
  16. Following a request by the Contracting Parties, the Governing Council of UNEP is authorized to extend the Trust Fund every two years for a two-year period. In the event that the member Governments wish to extend the term of the Trust Fund beyond its present approved term, the Executive Director of UNEP shall be so advised by the Conference of the Parties, through the secretariat in writing at least six months before that date. Extensions of the Trust Fund requested by member Governments shall be effective subject to the approval of the Governing Council of UNEP.

## **Budget**

17. The budget for a biennium reflecting the workplan for the same period shall be approved by the Contracting Parties, and will constitute the authorization to the Executive Director of UNEP, through the secretariat, to incur obligations and make payments within the allocations approved by the Contracting Parties.

## **Financial reporting**

18. The Executive Director shall submit bi-annual reports on the administration of the Trust Fund to the Contracting Parties.
19. The report on the administration of the Trust Fund shall show:
  - a) funds received and expenditures incurred during each fiscal year;
  - b) detailed report on the contributions of the member Governments made and not made; and
  - b) assets and liabilities of the Caribbean Trust Fund.

## **Audit**

20. The Trust Fund accounts shall be subject exclusively to audit by the United Nations internal and external auditors.

## **Support costs**

21. In accordance with United Nations administrative instruction ST/SGB/188 on the establishment and management of trust funds, and UNEP Governing Council decision GC.20/35, UNEP shall deduct from the income of the Trust Fund an administrative support charge equal to 13 per cent of the expenditures charged to the Trust Fund.