



This document relates to item 6.4 of the provisional agenda

Sixth Session of the Conference of the Parties to the WHO Framework Convention on Tobacco Control,
13-18 October 2014, Moscow

FCA Policy briefing
Budget & Workplan 2016-2017

Key recommendations:

- The budget and the workplan that will be adopted by the COP must show a balanced and efficient use of funds for the advancement of the implementation of the FCTC and Protocol-related activities.
- Before agreeing to the FCTC budget, Parties should ensure that all decisions adopted by COP6 are reflected in the workplan and projected to the budget.
- COP6 should also ensure that activities related to treaty governance, including travel support for all low-resource Parties, are funded through the Convention's core budget.
- The 2016-2017 budget should prioritise the work of the following four subsidiary bodies, which is of equal importance:
 - A working group on sustainable measures to strengthen implementation;
 - An expert group on Article 19 (liability);
 - An expert group on Article 5.3 (industry interference);
 - An implementation review committee to review Parties' reports and encourage implementation.

Introduction

By adopting an FCTC budget and workplan at each session of the Conference of the Parties (COP), Parties agree on global tobacco control priorities for coming years. At COP6, Parties will review the interim performance report for the 2014-2015 workplan and budget and will adopt a new workplan and budget for 2016-2017. In FCA's view, COP6 should take a balanced approach that recognises the need to advance implementation of the FCTC and ratification of the Protocol on Illicit Trade in Tobacco Products.

Proposed budget

The budget of the Convention, which is agreed for a period of two consecutive years, covers both staff costs and costs of activities. The 2014-2015 budget, the latest budget approved by the COP, reached US\$17,290,000. Of the total amount, 46 percent was projected to cover staff costs for the Secretariat of the Convention. The remaining \$7,275,000 was allocated for activities such as logistics for various meetings, joint needs assessment missions and costs related to organising workshops. An additional \$1,989,000 – representing 13 percent of the total allocated to staff and activity costs – is payable to the World Health Organization (WHO) as part of administrative and logistics arrangements.

For the 2016-2017 biennium, the Convention Secretariat is proposing a budget of \$18,724,000. This sum includes salary and activity costs related to work on the FCTC, as well as on the Protocol. It also covers 13 percent mandatory programme support costs payable to WHO. The predictable funding for the budget, which comes from the Voluntary Assessed Contributions (VACs), is expected to amount to \$9,100,000. In other words, the remaining funding (\$9,624,000) is at this point hypothetical and will need to be raised by the Convention Secretariat in order that certain activities can be delivered.

Compared to the budget for the previous biennium, we note the following changes in the current proposal (report FCTC/COP/6/24):

- A decrease in funding dedicated to FCTC-related activities (from \$6,230,000 for 2014-2015 to \$4,735,000 in the current proposal), although the predictable funding stays at similar levels (\$2,360,000 in 2014-2015 and \$2,196,000 in the current proposal);
- An increase in funding dedicated for Protocol-related activities (from \$1,045,000 for 2014-2015 to \$1,547,000 in the current proposal) with a relatively significant increase in predictable funding (from \$345,000 in 2014-2015 to \$657,000 in the current proposal);
- An increase in resources allocated for staff costs (from \$8,026,000 for 2014-2015 to \$10,288,000 in the current proposal), while the level of predictable funding for staff salaries stays roughly the same (\$5,348,000 in 2014-2015 and \$5,200,000 in the current proposal).

At the time of deciding on the 2016-2017 budget, COP6 will need in particular to determine how to effectively allocate the predictable, as well as hypothetical, resources. It is worth noting that while the total amount allocated for activities is quite high (\$6,282,000), resources that are actually available for FCTC- or Protocol-related activities are rather modest (\$909,000). This is because a significant portion of the predictable funding – \$1,944,000 in total – is already dedicated to logistical arrangements for the next session of the COP and the first Meeting of the Parties (MOP) to the Protocol. The remaining funding – \$3,429,000 – is hypothetical at this point and will need to be raised by the Convention Secretariat.

Before deciding which activities will be subject to availability of additional funding, Parties may wish to request the Convention Secretariat to clarify which activities, in its view, are likely to attract extra-budgetary resources. FCA also encourages Parties to share their views on the same point and provide active support to the Convention Secretariat to raise the necessary resources for the FCTC workplan.

Finally, Parties should also ensure that all decisions made by the COP are reflected in the budget, and that allocated funding will allow the Secretariat to undertake the work it is expected to deliver for COP7.

The workplan for 2016-2017

Each proposed budget is accompanied by a draft workplan – an overview of activities that are proposed by the Convention Secretariat to be delivered in a given biennium on the FCTC and the Protocol. The workplan proposal may change significantly during the week of the COP in order to reflect all decisions taken by Parties.

Workplan activities are divided into six areas, ranging from development of technical guidelines to maintenance of the reporting instrument or coordination with international organisations. The draft workplan indicates the required resources for each activity and whether the activity should be funded through predictable funding (currently the Voluntary Assessed Contributions) or extrabudgetary funding.

In 2016-2017, it will be important to achieve practical progress on the FCTC measures already in place, advance work on issues that will enhance the implementation of the Convention in the long term, and step up Protocol-related activities. Having considered the budgetary circumstances and the key areas where progress needs to be made, FCA wishes to make the following recommendations for the 2016-2017 workplan:

a) Important work to be delivered in coming years

Development of technical guidelines or practical recommendations on implementation of FCTC measures is one of the core elements of the Convention's inter-sessional work. In FCA's view, sufficient funding to hold meetings of inter-sessional working or expert groups should be made available. In particular, COP6 should prioritise the work of a working group on sustainable measures to strengthen implementation of the Convention, an expert group on Article 19 (liability), a newly created expert group on Article 5.3 (industry interference) and an implementation review committee to review Parties' reports and encourage implementation.

In terms of Protocol-related activities, FCA wishes to reiterate its view that the resources allocated for preparation of entry into force of the Protocol (\$586,000, which should be mostly covered by extra-budgetary funds) and for the MOP, including a preparatory intergovernmental working group (\$977,000 funded primarily by predictable funding) are relatively large (in contrast with other non-IPT priorities the COP may wish to address), but relatively small if applied to anticipated technical assistance needs.

In this regard, Parties may wish to have an honest discussion about the obstacles faced by their governments to ratification/accession to the Protocol, and decide on appropriate activities and their funding streams accordingly.

b) Expenses to be covered through core funding

We note that activities related to treaty governance, such as holding COP sessions and meetings of the COP Bureau, are covered through FCTC's core funding. Similarly, participation of low-resource Parties at these meetings should be fully funded through the Convention's core budget. In this respect, FCA urges COP6 to adopt and fund an FCTC-specific travel support policy to provide full support (most direct, roundtrip, economy class ticket; lodging, and per diem) to meetings of the COP and its subsidiary bodies for one delegate from each low- and lower-middle-income Party, including least developed countries.

c) Activities for which funds have to be raised

Although all proposed activities in the draft 2016-2017 workplan advance progress on the FCTC, COP6 will inevitably have to prioritise some activities over others due to scarce resources.

We recommend that COP6 discusses strategies to secure extra-budgetary funding. These strategies should be regularly reviewed between COP6 and COP7 and updated as necessary by subsequent sessions of the COP.

Coordination between the Convention Secretariat and WHO

FCA applauds the efforts of the Convention Secretariat and the WHO to coordinate their work and broaden the role of relevant WHO programmes, departments and offices in supporting FCTC implementation. FCA encourages COP6 to request that these efforts – including building support for FCTC implementation into the workplans of all relevant programmes, departments and offices within WHO – are further strengthened, and lead to optimal use of available resources.

At the same time, we note potential budgetary implications of changing the Voluntary Assessed Contributions to assessed contributions. According to report FCTC/COP/6/23, this change would require new arrangements to be put in place to compensate WHO for its logistical support to the Convention Secretariat and additional services or tasks the COP may ask WHO to perform. The report FCTC/COP/6/23 does not indicate whether the compensation is likely to remain at a comparable level to previous years (13 percent of the staff and activity costs) or whether it will need to be adjusted. More information in this regard should be provided to Parties before the budget for 2016-2017 is adopted.

Conclusion

The budget and the workplan that will be adopted at COP6 must show a balanced and efficient use of the funds for advancing implementation of FCTC- and Protocol-related activities. In FCA's view, the 2016-2017 budget should fund the work of several strategic working and expert groups and provide sufficient funding for FCTC-specific travel support for all low-resource Parties.

FCA calls upon Parties to make the necessary extra-budgetary contributions to allow for the remaining important activities included in the workplan to be fully implemented. Fundraising strategies should be clearly established and regularly reviewed by the COP.