

BUDGET & WORKPLAN OF THE FRAMEWORK CONVENTION ON TOBACCO CONTROL

FACT SHEET

What is the FCTC budget?

The budget of the Framework Convention on Tobacco Control (FCTC) is the total projected cost of the Convention's workplan. It is established at each regular session of the Conference of the Parties (COP) for the next two-year period (biennium)¹. At COP6, the Parties will review the interim performance report for the 2014-2015 budget and workplan as well as adopt a budget and workplan for 2016-2017.

Each FCTC budget proposal is developed by the Convention Secretariat and made available to Parties 60 days prior to each regular COP session. The budget is reviewed by Parties at the COP to ensure that it accurately reflects their priorities, and must be approved through a COP decision. Budget discussions are usually held at the meetings of **Committee B**.

What is included in the FCTC budget and workplan?

The FCTC budget includes direct costs linked to the workplan as well as what are known as 'programme support costs'. The direct costs include funding for activities and Convention Secretariat staff salaries. The programme support costs, which account for 13 percent of the total budget, are paid to WHO as part of administrative and logistics arrangements².

The FCTC workplan includes six areas of work:

- 1. CONFERENCE OF THE PARTIES:** Activities and expenses related to holding **COP sessions** and **meetings of the COP Bureau**, such as logistics, translation, printing and interpretation, as well as travel support for eligible delegates.
- 2. PROTOCOLS, GUIDELINES, AND OTHER POSSIBLE INSTRUMENTS FOR TREATY IMPLEMENTATION:** Activities and expenses related to holding meetings of **Working Groups, Expert Groups** or **Intergovernmental Negotiating Bodies** to discuss and advance different aspects of tobacco control at the global level. Costs include logistics, translation, printing and interpretation, as well as travel support for eligible delegates.

WHY IS THE FCTC BUDGET AND WORKPLAN IMPORTANT?

The budget adopted by the FCTC Conference of the Parties (COP) is critical to achieving progress on the FCTC. It determines activities that are necessary to enhance work on the Convention, and to monitor and promote its implementation. It should reflect Parties' priorities and decisions taken at the most recent COP.

Key functions and activities of the **Convention Secretariat** are determined by the FCTC budget and workplan.

- 3. REPORTING:** Activities to support reporting arrangements under the Convention, such as **maintaining a system for collection and analysis** of reports, **Expert Group** meetings or **assistance to Parties** in fulfilling their reporting obligations; costs are related to maintaining the reports database, analysing and providing feedback on reports and logistics of meetings, workshops and country missions.
- 4. IMPLEMENTATION ASSISTANCE TO PARTIES:** Activities to assist Parties to implement the FCTC, such as **Needs Assessments, regional workshops** and **expert advice**; key expenditures are logistics, travel of experts and travel support to eligible Parties.
- 5. INTERNATIONAL AND INTERGOVERNMENTAL COOPERATION:** Work to promote coordination with international and regional intergovernmental organisations in support of implementation of the FCTC. Costs include expenses for **various meetings** to raise the profile of the FCTC.
- 6. ADMINISTRATION:** Staff expenses, expenses related to **equipment** and **communication**, as well as **translation** and **promotion** of materials related to the FCTC, such as the FCTC Global Progress Report and FCTC Guidelines.

¹ According to FCTC Article 23.4, the COP is required to adopt a budget for the financial period until its next ordinary session.

² FCTC/COP5(19). Programme support costs equal US\$1,989,000 for the 2014-2015 budget, which accounts for 13 percent of the total budget.



FCTC budget and workplan for COP1 – COP5

The FCTC budget has more than doubled over the last seven years, increasing from \$8,010,000 for the 2006-2007 biennium³ to \$17,290,000 for 2014-2015⁴.

The total amount of Voluntary Assessed Contributions (VACs), however, did not follow this trend. VACs rose by only 12 percent in this period, while the number of Parties increased by over 50 percent. In practical terms, the larger number of Parties led to an expansion of the workplan, for which resources had to be fundraised.

Detailed information on the fundraising strategy of the Secretariat and its progress is not available. Unfortunately, several activities which were supposed to be funded from extra-budgetary funds, such as the South-South demonstration projects, appear to be delayed.

Overall, past COP sessions gave priority to allocating financial resources to work on technical matters related to tobacco control policies, including drafting and negotiating a protocol on illicit trade in tobacco products. Activities related to assistance with FCTC implementation have so far been funded exclusively by extra-budgetary income.

WHAT ARE VOLUNTARY ASSESSED CONTRIBUTIONS?

The main sources of funds for the FCTC workplan include **Voluntary Assessed Contributions (VACs)** established by the COP. They are supplemented by **extra-budgetary funds** raised by the Convention Secretariat.

The VACs are budgetary contributions from each Party. VACs follow the World Health Organization (WHO) formula based on national income. Hence, the most affluent Parties can pay up to hundreds of thousands of US dollars, while developing countries pay as little as US\$116 biennially. As of June 2014, more than 20 Parties had never paid their VACs⁵. An updated status of Parties' payments will be presented at COP6.

At COP5, the Secretariat was requested to provide Parties with efficient methods of payment of their contributions, including through the WHO country offices⁶. Parties also agreed to review the possibility of changing the name from VACs to Assessed Contributions⁷. The Secretariat's report on this topic will be discussed at COP6 (agenda item 6.3).

COP Session	Number of Parties	Budget Period	Total Amount	Covered by VACs	Covered by Extrabudgetary Funds
COP1	113	2006 - 2007	8 010 000	100%	0%
COP2	146	2008 - 2009	8 010 000	100%	0%
COP3	160	2010 - 2011	12 840 000	68.1%	31.9%
COP4	174	2012 - 2013	14 902 000	61.1%	38.9%
COP5	176	2014 - 2015	17 902 000	52.6 %	47.4%

All funds provided in (\$US)

Discussions at COP6: FCTC Budget and Workplan for 2016-2017

The budget for the period 2016-2017 will be negotiated in Committee B of COP6 (agenda item 6.4). A draft budget proposed by the Convention Secretariat will be available for Parties' review from mid-August 2014. Parties will have more than 60 days to review the proposal before discussing and approving the budget at COP6.

At COP6, Parties should clearly voice their preferred priorities for the FCTC's 2016-2017 workplan. They should also take full advantage of the rules of procedure, which require that the administrative, financial and budgetary implications of all substantive agenda items must be submitted to the COP6.

³ COP1 decision FCTC/COP1(11)

⁴ COP5 decision FCTC/COP5(19)

⁵ A detailed overview is available at: http://www.who.int/fcto/cop/vac_30_june_2014.pdf?ua=1

⁶ COP5 decision FCTC/COP5(17)

⁷ *ibid*