

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. For example, the fourth session of the COP in November 2010 adopted a budget for the financial period 2012-2013. At COP5, the Parties will review the interim performance report for the 2012-2013 workplan and budget as well as adopt a new workplan and budget for 2014-2015.

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 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 and programme support costs associated with the workplan. The direct costs include funding for activities and Convention Secretariat staff salaries. The programme support expenditures, which account for 13 percent of the total budget, have to be 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 tobacco control measures as mandated by the COP; 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, logistics of meetings, workshops and country missions.

4. IMPLEMENTATION ASSISTANCE TO PARTIES: Activities to assist Parties to implement the FCTC, such as **Needs Assessments, workshops** and **expert advice**; key expenditures are logistics, travel of experts and Parties eligible for travel support.

5. INTERNATIONAL AND INTERGOVERNMENTAL COOPERATION: Work to promote coordination with international and regional intergovernmental organizations and other bodies; includes expenses for **various meetings** to raise the profile of the FCTC.

6. ADMINISTRATION: Staff expenses, expenses related to **equipment** and **communication**, as well as **development, translation** and **promotion** of materials related to the FCTC, such as the FCTC Global Progress Report and FCTC Guidelines, and coordination between the Convention Secretariat and other areas of WHO, including TFI.

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

² FCTC/COP/4/DIV/6, p. 78. Programme support costs equal US\$1,714,000 for the 2012 – 2013 budget, which accounts for 13 percent of the total budget.



What are the main sources of income for the FCTC workplan?

The main sources of funds for the FCTC workplan include the Voluntary Assessed Contributions (VACs) established by the treaty and 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\$113 biennially.

FCTC budget and workplan for COP1-COP4

The FCTC budget has increased significantly: from \$8,010,000 for the 2006-2007 biennium to \$14,902,000 for 2012-2013. This represents an increase of roughly 86 percent, in nominal terms (without adjusting for inflation). The total amount of VACs, however, did not follow this trend. VACs rose by only 14 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. As a result, many activities were delayed.

Overall, past COP sessions gave priority 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.

FCTC Budget and Workplan for 2014-2015: **Not the time for cuts**

Due to the global financial crisis, it is expected that budget discussions at COP5 will focus on cuts. Yet precisely due to the current situation, which includes the acknowledgement by the world's governments in 2011 that non-communicable diseases (NCDs) and their risk factors – led by tobacco – constitute a global threat¹, COP5 should take a balanced approach that recognises the need to advance tobacco control globally, regionally and at the country level, and to increase the FCTC's efficiency and effectiveness.

COP5 should not repeat the shortcomings of previous COP sessions. Committee B budget discussions should revolve around the Convention's financial sustainability, rather than focusing on cutting items or travel support in order to reduce the budget, as seen at COP4². Budget discussions should also reflect the decisions of the COP in order to avoid situations such as one at COP4 where Committee A decided to establish the Working Group on Article 6, but this decision was not reflected during the discussions on the FCTC budget³. It is therefore important for Parties to review the budget proposal prior to COP5, and once the meeting has begun, clearly inform other Parties, the FCTC Secretariat and the COP Bureau of their positions.

| 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% |

All funds provided in (\$US)

Discussions at COP5: FCTC Budget and Workplan for 2014-2015

The budget for the period 2014-2015 will be negotiated in Committee B of COP5. A draft budget (http://apps.who.int/gb/fctc/PDF/cop5/FCTC_COP5_23-en.pdf) proposed by the Convention Secretariat will be available for Parties' review from mid September 2012. Parties will have more than 60 days to review the proposal, before discussing and approving the budget at COP5.

At COP5, Parties should clearly voice their preferred priorities for the FCTC's 2014-2015 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 COP⁴.

1 UN resolution A/RES/66/2 – Political Declaration of the UN HLM on NCDs

2 See the summary records of the proceedings of Committee B at COP4 (fourth meeting) in document FCTC/COP4/REC/3 (p.95-99): http://apps.who.int/gb/fctc/PDF/cop4/FCTC_COP4_REC3-en.pdf

3 See the summary records of the proceedings of Committee B at COP4 (seventh meeting) in document FCTC/COP4/REC/3 (p.121-126): http://apps.who.int/gb/fctc/PDF/cop4/FCTC_COP4_REC3-en.pdf

4 Rule 12 of FCTC Rules of Procedure.