

XVIIth INTERNATIONAL HYDROGRAPHIC CONFERENCE

MONACO, 7-11 May 2007



FINANCE COMMITTEE *5 May 2007*

PROPOSED IHO FIVE-YEAR BUDGET FOR THE PERIOD 2008 - 2012

Revised 3

Submitted to the XVIIth International Hydrographic Conference

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IHO FIVE-YEAR BUDGET 2008-2012

Submitted by the IHB Directing Committee

1. INCOME

1.1 Member States' contributions

The approach adopted for the contributions is based on the total number of shares as determined from the responses of Member States to Conference Circular Letters 9, dated 3 July 2006, and 9A, dated 13 November 2006 and the twelve shares coming from the two new Member States, Romania and Saudi Arabia. The total number of shares stands at 673 or 38 more than the number of shares used for contributions in 2007. This does not include the six shares of the three suspended Member States, Dominican Republic in 1983, Democratic Republic of the Congo in 1983 and Suriname in 1991. Shares of future new Member States or possible alterations in the number of shares of Member States during the 5-year period have not been taken into consideration in preparing the budget.

For the first three years 2008, 2009 and 2010 no increase in the unit share value is proposed. After five years (2006-2010) of zero increase in the unit share value and an increase of only 2% in the last eight years, the need to increase the unit share value by 1.50% in 2011, and 3% in 2012 has been anticipated. This nominal increase follows the historic rise in the cost of living in Monaco and is considered prudent for the future functioning of the Bureau. As has been the case for the last three years, the Directing Committee will strive through efficiencies, economies and judicious reprogramming to forgo these out-year increases in share value.

1.2 Interest on Bank Accounts

Due to economic developments worldwide the interest on bank accounts in the past five years remained high and the income was on average almost twice that which had been projected in the budget. Expecting the same financial situation to continue for the next five years, the yearly income from the interest on bank accounts has been estimated at 45,000 Euros for the first two years and 47,500 Euros for the last three years, as compared to the yearly forecast in the previous 5-year budget of 16,100 Euros.

2. EXPENDITURE

The expenditure of the Bureau can be subdivided into the expenses for salaries and associated personnel costs, the operating costs and other expenditure of the Bureau. The proportion devoted to personnel costs is about 75% of the total budget. 18% corresponds to current operating costs and 2% to capital expenditure. The remaining 5% is the transfer to Funds established for specific purposes, such as the Conference Fund, Capacity Building Fund, Renovation Fund, etc.

2.1 Chapter I – Personnel costs

Based on the decision to align the salaries of Directors, Professional Assistants and Translators with the UN salary scheme:

- a. The salaries of the new Directing Committee elected in May 2007 at the XVII I.H. Conference will be aligned with the UN pay scale applicable 1 September 2007. This increase is estimated to be about 3000 Euros per year per Director, a total of about 9000 Euros for the three Directors.

There will also be a promotion increase after three years on 1 September 2010, which is estimated to be about 3000 Euros, for a total of 9000 Euros for the three Directors. This promotion increase is applicable only for the last two years of the 5 year period.

- b. There will be an alignment with the UN pay scale effective 1 October 2007, for a Professional Assistant, whose position will be externally competed, in accordance with Article V.10.1 of the Staff Regulations. The expected increase will be about 3000 Euros per year.

During the 5-year period the Professional Assistants and the Category B and C Staff are expected to have the normal promotions, i.e. advancements on the salary scale due to time in grade, as contained in the tables attached to the Staff Regulations, amounting to about 53,000 Euros for the 5-year period.

There will also be an expenditure due to the increase of the cost of living in Monaco expected to be on average about 1.5% per year, applicable to the salaries of Directors and Staff, based on the statistics of the past 5 years.

The present number of employees, counting all categories, is 19 and is not expected to change during the 5-year period:

- three Directors;
- five Category A Professional Assistants; and
- ten Category B and one Category C.

2.2 Chapter II – Current operating costs

The main items of this chapter are :

- Maintenance costs of the premises and telecommunication charges. Although the maintenance of the premises is an obligation of the Organization under the terms of the Host Agreement with the Principality, Article 3, II, the Government of Monaco has responded positively to undertake a partial renovation of the Bureau when requested;
- Long distance travel has been fixed for each year of the 5-year period, at lower levels than 2007;
- Technical assistance remains fixed at 47,000 Euros per year for the 5-year period, 3,000 Euros less than the previous 5-year budget;
- Consultants' contracts, which has been reduced considerably compared to the previous 5-year budget, has been fixed at 40,000 Euros per year, for the 5-year period;
- No significant changes are foreseen with other items in this Chapter beyond an increase of approximately 1.5% per year following the expected inflation rate in Monaco.

2.3 Chapter III – Capital Expenditure

The expenditures for the items in this Chapter remain the same as in 2007 and without any increase for the 5-year period.

3. FUNDS

3.1 Chapter IV – Allocation to funds

Allocations to funds for the 2008-2012 period have been assumed as follows :

- 3.1.1 GEBCO Fund. This fund will include the funds provided every year by the Government of Monaco for the maintenance of GEBCO.
- 3.1.2 Printing fund. No allocations are foreseen in this fund which remains at the level of 67,692 Euros.
- 3.1.3 Renovation Fund. 3,000 Euros are projected to be added annually for an accumulated total of 15,000 Euros in 2012.
- 3.1.4 Conference Fund. A total of 205,000 Euros are projected for the 5-year period, to support the 4th Extraordinary Conference (4th EIHC) in 2009 and the XVIIIth I.H. Conference in 2012.
- 3.1.5 Directors' Removal Fund. A total of 106,000 Euros are projected for the 5-year period.
- 3.1.6 Capacity Building Fund. A total of 315,000 Euros are projected for the 5-year period. We expect an additional 100,000 US Dollars per year, to be donated by the Republic of Korea, based on a Memorandum of Understanding signed between the Organization and the Republic of Korea.

4. TABLES FOR THE PROPOSED 2008-2012 BUDGET

An annual balanced budget has been sought for the whole period 2008-2012. The small budget excesses of 45,000 Euros in 2008 and 22,000 Euros in 2009 will be used to cover the small liability deficit of the IRF as determined by an external actuarial study completed in December 2006. Annex A presents the details of the Budget for the 5-year period 2008-2012.

ANNEX A

ORGANISATION HYDROGRAPHIQUE INTERNATIONALE

INTERNATIONAL HYDROGRAPHIC ORGANIZATION

PREVISIONS BUDGETAIRES POUR 2008 - 2012

TABLEAU I - REVENUS - (Euros)

BUDGET ESTIMATES FOR 2008 - 2012

TABLE I - INCOME - (Euros)

	Adopted Estimates 2007 Budget Approuvé		Proposed Estimates 2008 Budget Budget	Proposed Estimates 2009 Budget Budget	Proposed Estimates 2010 Budget Budget	Proposed Estimates 2011 Budget Budget	Proposed Estimates 2012 Budget Budget
Percentage of increase proposed	0.00	%	0.00	0.00	0.00	1.50	3.00
Final number of shares	635	*	673	673	673	673	673
Unit share value	3984.48		3984.48	3984.48	3984.48	4044.25	4165.57
A. CONTRIBUTIONS							
Contributions		679	2 705 462				
Provision for suspended Member States		-6	-23 907				
Basis for budget estimates	2 530 145	673	2 681 555	2 681 555	2 681 555	2 721 778	2 803 432
B. SALES OF PUBLICATIONS	8 955		9 000	9 000	10 500	10 500	10 500
Ventes de publications							
C. ADVERTISEMENTS IN PUBLICATIONS	0		0				
Annonces dans les publications							
D. INTEREST ON BANK ACCOUNTS	45 000		45 000	45 000	47 500	47 500	47 500
Intérêts sur comptes en banques							
E. EXTRAORDINARY INCOME	7 800		7 800	7 900	8 000	8 100	8 200
Revenues exceptionnels							
F. INTERNAL TAX	148 700		153 820	157 666	162 001	166 861	172 284
Impôt interne							
	2 740 600		2 897 175	2 901 121	2 909 556	2 954 740	3 041 916

* Including 12 shares (Romania, Saudi Arabia)

ANNEX A

ORGANISATION HYDROGRAPHIQUE INTERNATIONALE

INTERNATIONAL HYDROGRAPHIC ORGANIZATION

PREVISIONS BUDGETAIRES POUR 2008 - 2012
TABLEAU II - DEPENSES - (Euros)BUDGET ESTIMATES FOR 2008 - 2012
TABLE II - EXPENDITURE - (Euros)

CHAPTER - CHAPITRE	Budget Approuvé 2007 Approved Estimates Euros	Proposition de budget 2008 Proposed Estimates Euros	Proposition de budget 2009 Proposed Estimates Euros	Proposition de budget 2010 Proposed Estimates Euros	Proposition de budget 2011 Proposed Estimates Euros	Proposition de budget 2012 Proposed Estimates Euros
I. PERSONNEL COSTS DEPENSES DE PERSONNEL						
Salaries Directing Committee	1 976 000	2 038 500	2 084 791	2 137 133	2 207 519	2 276 161
Salaries other staff						
Social charges						
Benefits and Pensions						
Controllable Personal cost						
II. CURRENT OPERATING COSTS DEPENSES DE GESTION COURANTE	578 500	515 076	524 365	533 626	541 035	548 820
Maintenance, communications, etc..						
Consulting						
Travels						
Publications						
III. CAPITAL EXPENDITURE DEPENSES DE CAPITAL	74 200	74 200	69 224	69 248	69 273	69 299
IV. ALLOCATION TO FUNDS						
- GEBCO Fund	7 800	7 800	7 900	8 000	8 100	8 200
- Renovation Fund	6 500	3 000	3 000	3 000	3 000	3 000
- Conference Fund	0	55 000	40 000	40 000	30 000	40 000
- Directors' Removal Fund	27 500	26 000	20 000	20 000	20 000	20 000
- Fonds pour le déménagement des Directeurs						
- Capacity Building Fund	64 000	70 000	70 000	65 000	55 000	55 000
- Printing Fund	6 100	0	0	0	0	0
	2 740 600	2 789 576	2 819 280	2 876 006	2 933 928	3 020 480

ANNEX A

TABLE II A : DETAILED EXPENDITURE - Détail des dépenses

CHAPTERS AND ITEMS	Budget	Proposition	Proposition	Proposition	Proposition	Proposition
	Approuvé 2007 Approved Estimates Euros	de budget 2008 Proposed Estimates Euros	de budget 2009 Proposed Estimates Euros	de budget 2010 Proposed Estimates Euros	de budget 2011 Proposed Estimates Euros	de budget 2012 Proposed Estimates Euros
I. PERSONNEL COSTS						
a) Salaries - Directing Committee	400 000	410 000	418 200	426 564	447 892	454 672
b) Salaries - Category A	505 000	525 900	539 048	553 871	570 487	589 489
- Translators	115 000	120 900	123 923	127 330	131 150	136 074
- General Services (B & C)	390 000	402 800	412 870	424 224	436 951	456 905
Overtime for B & C Categories (Costs dependent on Salaries)	10 000	10 300	10 558	10 848	11 173	11 536
c) Annual Bonus (B & C Categories only)	33 000	33 600	34 406	35 352	36 413	38 075
d) Payment to Retirement schemes	275 000	300 300	307 808	316 272	325 760	336 348
e) Insurance based on wages	15 000	15 300	15 683	16 114	16 597	17 137
f) Medical (GAN premiums)	76 000	65 500	67 334	69 219	71 157	73 149
g) Family Allowance	30 000	30 600	31 212	31 836	32 473	33 122
h) Education Grants	34 000	34 700	34 440	35 387	36 449	37 633
(Costs independent of Salaries)						
i) Medical - claims paid	75 000	70 000	70 000	70 000	70 000	70 000
Medical - refunds from GAN	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000
j) Home rental		0				
k) Home Leave	12 000	12 200	12 505	12 849	13 234	13 664
l) Pensions to retired staff		0				
m) Miscellan. Personnel Expenses	5 000	5 100	5 100	5 100	5 100	5 100
(Controllable personnel costs)						
n) Salaries - Temporary staff	6 000	6 100	6 253	6 424	6 617	6 832
o) IHB staff training	10 000	10 200	10 455	10 743	11 065	11 424
	1 976 000	2 038 500	2 084 791	2 137 133	2 207 519	2 276 161
Average percentage of yearly increase (including promotions)		3,163	2,271	2,511	3,293	3,109

ANNEX A

TABLE II A : DETAILED EXPENDITURE (contd.) - Détail des dépenses (suite)

CHAPTERS AND ITEMS	Budget	Proposition	Proposition	Proposition	Proposition	Proposition
	Approuvé 2007 Approved Estimates Euros	de budget 2008 Proposed Estimates Euros	de budget 2009 Proposed Estimates Euros	de budget 2010 Proposed Estimates Euros	de budget 2011 Proposed Estimates Euros	de budget 2012 Proposed Estimates Euros
II. CURRENT OPERATING COSTS (Maintenance, communications, etc...)						
a) Maintenance of building	55 000	56 100	57 222	58 366	59 534	60 724
Multirisk insurance	2 000	2 000	2 000	2 000	2 000	2 000
Maintenance of IT equipments	35 000	35 700	36 414	37 142	37 885	38 643
b) Office Stationery	13 000	13 300	13 566	13 837	14 114	14 396
c) Postage, telephone, telex, telefax	40 000	40 800	41 616	42 448	43 297	44 163
d) Local Travel	3 500	3 600	3 672	3 745	3 820	3 897
e) Bank Charges	6 000	6 100	6 222	6 346	6 473	6 603
f) Consultancy Expenses (Others than Auditors)	85 000	40 000	40 000	40 000	40 000	40 000
g) Auditor fees	4 000	4 100	4 182	4 266	4 351	4 438
h) Public Relations	19 000	19 876	21 061	22 056	21 034	20 219
i) Miscellan. Operating Expenses	1 000	1 000	1 000	1 000	1 000	1 000
(Travel costs)						
j) Capacity Building (Progr. 2 only)	50 000	47 000	47 000	47 000	47 000	47 000
k) Long Distance Travel (All Progr. Except 2)	240 000	220 000	224 400	228 888	233 466	238 135
(Publications costs)						
l) I.H. Review	11 000	11 200	11 424	11 652	11 886	12 123
m) Other publications	14 000	14 300	14 586	14 878	15 175	15 479
	578 500	515 076	524 365	533 626	541 035	548 820
Average percentage of yearly increase		-10,964	1,803	1,766	1,389	1,439

ANNEX A

TABLE II A : DETAILED EXPENDITURE (contd.) - Détail des dépenses (suite)

CHAPTERS AND ITEMS	Budget	Proposition	Proposition	Proposition	Proposition	Proposition
	Approuvé 2007 Approved Estimates Euros	de budget 2008 Proposed Estimates Euros	de budget 2009 Proposed Estimates Euros	de budget 2010 Proposed Estimates Euros	de budget 2011 Proposed Estimates Euros	de budget 2012 Proposed Estimates Euros
III. CAPITAL EXPENDITURE						
a) Purchase of IT equipments	35 000	35 000	30 000	30 000	30 000	30 000
b) Purchase of furniture & other equipments	13 000	13 000	13 000	13 000	13 000	13 000
c) Purchase Publications & Binding	1 200	1 200	1 224	1 248	1 273	1 299
d) Depreciation of fixed assets	25 000	25 000	25 000	25 000	25 000	25 000
	74 200	74 200	69 224	69 248	69 273	69 299
Average percentage or yearly increase		0,000	-6,706	0,035	0,036	0,037
ANNUAL OPERATING COSTS	2 628 700	2 627 776	2 678 380	2 740 007	2 817 828	2 894 280
IV. ALLOCATION TO FUNDS						
		161 800	140 900	136 000	116 100	126 200
a) GEBCO Fund	7 800	7 800	7 900	8 000	8 100	8 200
b) Renovation Fund	6 500	3 000	3 000	3 000	3 000	3 000
c) Conferences Fund	0	55 000	40 000	40 000	30 000	40 000
d) Removal of Directors Fund	27 500	26 000	20 000	20 000	20 000	20 000
e) Capacity Building Fund	64 000	70 000	70 000	65 000	55 000	55 000
f) Printing Fund	6 100	0	0	0	0	0
TOTAL EXPENDITURE	2 740 600	2 789 576	2 819 279	2 876 007	2 933 927	3 020 479
Average percentage of yearly increase		1,787	1,065	2,012	2,014	2,950

ANNEX A

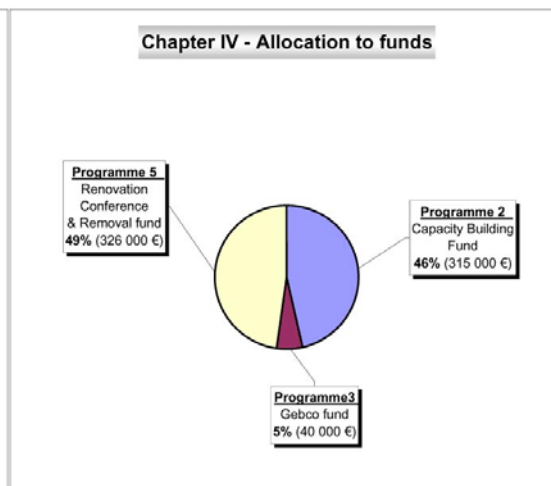
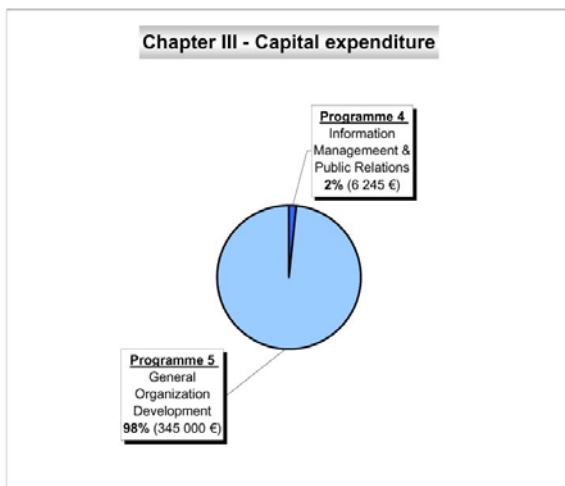
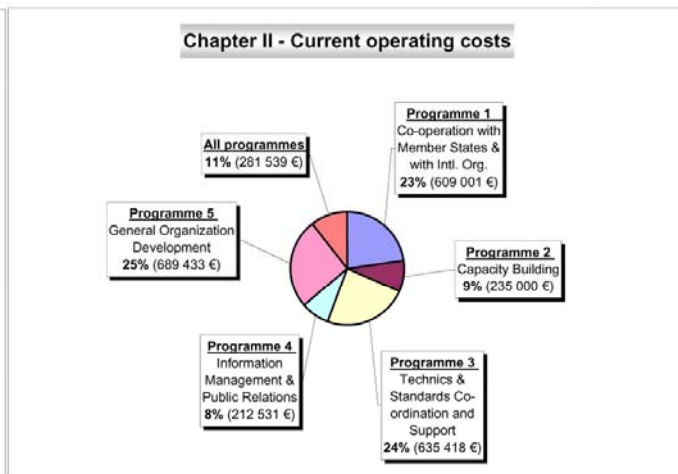
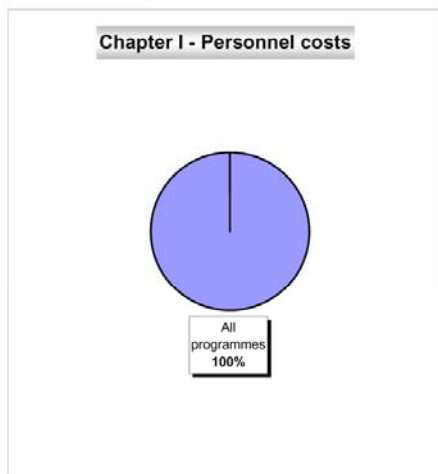
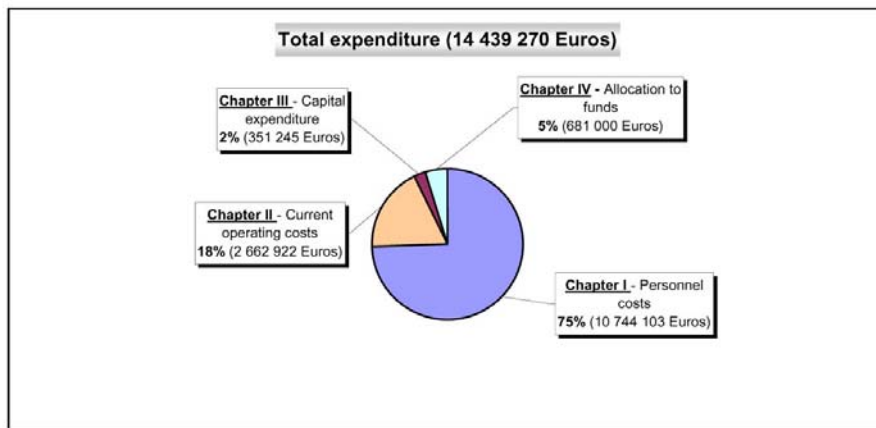
ORGANISATION HYDROGRAPHIQUE INTERNATIONALE

INTERNATIONAL HYDROGRAPHIC ORGANIZATION

PREVISIONS BUDGETAIRES POUR 2008 - 2012
TABLEAU III - RECAPITULATION BUDGETAIRE - (Euros)BUDGET ESTIMATES FOR 2008 - 2012
TABLE III - BUDGET SUMMARY - (Euros)

CHAPTERS AND ITEMS	Budget Approuvé 2007 Approved Estimates Euros	Proposition de budget 2008 Proposed Estimates Euros	Proposition de budget 2009 Proposed Estimates Euros	Proposition de budget 2010 Proposed Estimates Euros	Proposition de budget 2011 Proposed Estimates Euros	Proposition de budget 2012 Proposed Estimates Euros
Net Expenditure - Dépenses nettes	2 740 600	2 789 576	2 819 279	2 876 007	2 933 927	3 020 479
Income - Revenus	2 740 600	2 897 175	2 901 120	2 909 556	2 954 739	3 041 916
Budget Excess - Excédent budgétaire	0	107 599	81 841	33 549	20 812	21 437
Budget Deficit - Déficit budgétaire	0	0	0	0	0	0
Support to the IRF	0	-45 000	-22 000	0	0	0
Effect on capital - Effet sur le capital	0	62 599	59 841	33 549	20 812	21 437
Net balance for the 5 year period						198 238

Costs distribution per chapter over 5 years (2008-2012)



Costs distribution per programme over 5 years (2008-2012)

