

## PROPOSAL FOR A GUARANTEED MINIMUM LEVEL OF IHO CAPACITY BUILDING FUND SHARE

<b>Submitted by:</b>	IRCC Chair
<b>Executive Summary:</b>	This paper presents a proposal for a guaranteed minimum level of IHO Capacity Building Fund share
<b>Related Documents:</b>	List of Actions of IRCC11
<b>Related Projects:</b>	Nil

### Introduction / Background

1. CBSC Chair addressed IRCC11 regarding CBCS' funding requests in relation to the available and planned budget for Capacity Building in 2019, 2020 and the forthcoming IHO 3-years-budget planning from 2021 - 2023. As a result of the follow-up discussion, Action IRCC11/09 tasked CBSC Chair to present a more detailed explanation of CBCS' funding request for consideration prior to C-3 in October 2019:

*Action IRCC11/09: CBSC to propose to the Council via IRCC to provide information on the minimum resources needed to support a sustainable level of CB activities in accordance with the strategy. Seek guidance on the way ahead to address the resource shortage and ensure a sustainable flow of resources.*

### Analysis/Discussion

2. The strengthening of the IHO Capacity Building programme is stressed under the strategic direction 4.4 of the IHO Strategic Plan (2017) to better support the needs of Member States, especially those developing their capabilities from maritime safety information through surveying to nautical charting and marine spatial data infrastructure.

3. The Capacity Building Fund receives contributions from two sources:

- IHO budget (both regular annual contributions and eventual contributions from IHO's overall annual budget surplus).
- Donations made by governments, other international organizations, funding agencies, public or private institutions, associations or private individuals in support of IHO Capacity Building initiatives.

4. The IHO Capacity Building Fund share as anchored in the IHO budget is used for the nominal CB assessment of needs for provision of MSI, surveying and charting trainings as requested by the RHCs, whilst the donations are generally earmarked by the benefactors for designated projects according to their priorities. Although the generous contribution from donors, especially but not limited to Republic of Korea and the Nippon Foundation is extremely effective, the IHO Capacity Building Fund share constitutes the financial basis for nominal conduct of CB programme activities.

5. The three-year IHO Capacity Building Fund share as proposed in 2016 and approved by the first IHO Assembly in 2017 is as follows:

- 2018: 206 k€ (added by 100k€ from the accumulated surplus of 2017 – FCCL01/2018 refers)
- 2019: 116 k€
- 2020: 86 k€

6. The projected IHO share of 86 k€ for 2020 stems from the estimate made in 2016. The Secretariat is currently working on a proposal of an updated annual budget for 2020 for submission and

approval by the Council. It is hoped that the budget figure will increase, however FCCL01/2019 is clear that no additional surplus contribution to the IHO CB fund can be expected for 2019.

7. An IHO Capacity Building Fund share less than 200 k€ puts the planned delivery of the approved CB programme work at considerable risk. A guaranteed minimum level of IHO Capacity Building Fund share is a prerequisite to cover the fundamental activities of the CB work programme. This needs to be addressed through direct funding from the IHO budget. This level is required to meet the aspirations as expressed by IRCC in view of IHO's CB engagement and as planned by CBSC on IRCC's behalf.

### **Conclusions**

8. For execution of the approved CB programme, the minimum amount of the IHO Capacity Building Fund share can be estimated as follows:

a) Phase 0 and Phase 1

To ensure a basic provision of CB assessment of needs, obligations and for provision of MSI, the following minimum resources are estimated by the CBSC:

- In kind contribution of training facilities and/or trainers by Member States.
- In kind contribution of experts for High Level and Technical Visits.
- Funds per year of approximately 200 k€ to cover expenses with Technical and High-Level Visits, with awareness raising seminars/workshops and MSI training courses, in addition to the in-kind contributions.

b) Phase 2 and 3 for most needy countries

To ensure the CB provision for surveying, data management and nautical products, it is estimated to need:

- In kind contribution of training facilities, training material and/or trainers by Member State and/or industry.
- Funds per year of approximately another 200 k€ (With in kind support of training materials, Training for trainers courses and e-learning materials this can be reduced to 100 k€).

c) Funds for consulting, investments in comprehensive projects

To provide the basic capability to attract other organizations to provide funds for comprehensive projects it is either necessary to have funds for consultants or to have a commitment from Member States to provide resources within their government to develop appropriate submissions to national, regional or international donor funding programmes. Member States may take the lead using their national expertise, resources and knowledge to develop such projects and get other Member States involved via RHC. With a sufficient commitment from Member States it is expected that this item has no impact on the CB fund.

9. The Appendix to this Annex presents statistics from 2016 to 2018 on the execution of the annual CB Work Programmes (CBWP), that illustrates the outreach of the programme during this period.

### **Recommendations**

10. In conclusion of the above considerations it is recommended that the Council endorses the amount of 300 k€ as guaranteed minimum level of IHO Capacity Building Fund share to be incorporated into the annual budget of 2020 and the three-years-budget proposal 2021 – 2023 and submit it for Assembly approval.

11. The proposed provisions for b) and c) will not only enable the delivery of the approved CB Strategy and CB Programme, but shall also be regarded as an incentive to attract potential new IHO Member States as this activity is limited to IHO Member States only.

### **Justification and Impacts**

12. Securing a guaranteed minimum level of IHO Capacity Building Fund share is necessary to fulfil the CB Programme according to IHO's Capacity Building Strategy, which is a core part of the overall IHO Strategy and a major incentive for new Member States to join the IHO.

13. This proposal has an impact on the IHO annual budget and three years budget. It is assumed to have a high priority.

### **Action Required of the Council**

14. The IRCC is invited to:

- a) endorse the proposal of a guaranteed minimum level of IHO Capacity Building Fund share as part of the IHO overall annual and three-year budget;
- b) consider additional contributions beyond Member States contributions to the IHO budget to cover this request;
- c) confirm the intention to seek a potential increase of Member States contributions if there is no other option to cover the current proposal;
- d) task the Secretariat to incorporate this proposal in the preparation of the drafting of the annual budget proposal for 2020 and the three years budget for 2021-2023 and seek approval by the Assembly (A-2);
- e) take any other action seen appropriate.

### Appendix:

Statistics from 2016 to 2018 on the execution of the annual CB Work Programmes (CBWP)