



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**COMMITTEE ON
FINANCE AND ADMINISTRATION**

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ADMINISTRATIVE BUDGET FOR THE FINANCIAL YEAR 2015

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EXPLANATORY NOTES

The Biennial Administrative Budget of the International Tropical Timber Organization (ITTO) for the financial years 2014-2015 was approved by the Council at its Forty-ninth Session (Libreville, November 2013) in accordance with the International Tropical Timber Agreement (ITTA), 2006, Article 19, Paragraph 4, and is shown on pages 2-4 of this document.

The Administrative Budget for 2015 was calculated using the United Nations official exchange rate for the month of July 2013 of US\$1=98.23, which was when the Biennial Administrative Budget for 2014-2015 was prepared and circulated. As decided by the Committee, the Administrative Budget is based on the official exchange rate for the month when it is prepared and will not be revised when the Committee convenes (ITTC Decision at Forty-third Council refers).

Rule 3 of the ITTO's Financial Rules and Rules Relating to Projects states that "should very exceptional circumstances so require, the Executive Director may submit to the Council proposals for supplementary expenditure during any financial year". Since there are no significant changes in the exchange rate, staff establishment and work programme, the Secretariat is presenting the Administrative Budget for 2015 as approved by the Council at its Forty-ninth Session (Libreville, November 2013) with no changes.

The assessed contributions of Members as presented in Annex II were approved at the Forty-ninth Session of the Council convened in Libreville, Gabon in November 2013. These assessed contributions of members were calculated based on the distribution of votes for the 2013-2014 biennium which was adopted by the Council at its Forty-ninth Session (Libreville, Gabon, November 2013). The assessed contributions of Suriname and Vietnam, which became members in 2014, have been calculated using the proposed redistribution of votes in the Producer category which was adopted by the Council at its Fiftieth Session (Yokohama, November 2014) in accordance with Article 10 paragraph 8 and Article 19 paragraph 6 of the ITTA, 2006. The assessments made upon other Members have not been altered in accordance with Article 19 paragraph 6.

Table 1
Approved Administrative Budget for the Financial Biennium 2014-15
Part A. BASIC ADMINISTRATIVE COSTS

(in United States dollars)

[Calculations based on the Scales and Rates Applicable in July 2013]

[Post Adjustment Multiplier: 104.9; U.N. Rate of Exchange: USD 1.00 = JPY 98.23]

Budget Heading	Description	2013	2014			2015		
		Approved Allocation	Estimated Total	JPY-related Component	USD-related Component	Estimated Total	JPY-related Component	USD-related Component
A. SALARIES AND BENEFITS								
A1. Salaries		2,353,791	2,263,425	1,068,337	1,195,088	2,308,694	1,089,704	1,218,990
A2. Tax Refund		396,608 (a)	280,217 (a)	280,217	0	285,821 (a)	285,821	0
A3. Post Adjustment		1,719,894	1,432,568	0	1,432,568	1,461,219	0	1,461,219
A4. Rental Subsidy		3,506	2,831	0	2,831	2,831	0	2,831
A5. Education Grant (incl. Education Travel)		332,524	302,563	9,077	293,486	302,563	9,077	293,486
A6. Dependency Allowance		72,197	86,893	35,974	50,919	86,893	35,974	50,919
A7. Home Leave		124,521	106,401	86,823	19,578	127,681	104,188	23,493
A8. Language Allowance			0			0		
A9. Overtime		38,961	31,930	31,866	64	32,569	32,504	65
A10. Mobility & Hardship Allowance		6,116	6,953	0	6,953	6,953	0	6,953
A11. Separation Benefits		215,646	106,785	0	106,785	255,356	0	255,356
A12. Removal Costs		46,167	20,600	5,768	14,832	49,261	13,793	35,468
A13. Repatriation/Recruitment Travel		85,379	57,680	29,532	28,148	137,931	70,621	67,310
Component Total:		4,998,702	4,418,629	1,267,377	3,151,252	4,771,951	1,355,861	3,416,090
B. INSTALLATION COSTS								
B1. Assignment Grant		47,256	47,256	0	47,256	113,004	0	113,004
B2. Lumpsum Benefit		55,178	55,178	0	55,178	131,948	0	131,948
Component Total:		102,434	102,434	0	102,434	244,952	0	244,952
C. OFFICIAL TRAVEL								
C1. Transportation/Tickets		103,750	95,937	37,511	58,426	95,937	37,511	58,426
C2. DSA & Travel Expenses		45,783	45,765	92	45,673	45,765	92	45,673
Component Total:		149,533	141,702	37,603	104,099	141,702	37,603	104,099
D. SOCIAL SECURITY								
D1. Provident Fund		695,128	702,609	64,640	637,969	716,661	65,933	650,728
D2. Accident/Health Insurance		92,077	108,213	22,400	85,813	110,377	22,848	87,529
D3. Japanese National Scheme		149,091	135,590	87,184	48,406	138,302	88,928	49,374
Component Total:		936,296	946,412	174,224	772,188	965,340	177,709	787,631
E. SPECIAL ACTIVITIES								
E1. Consultants		36,457	35,362	5,516	29,846	35,362	5,516	29,846
E2. Workshops and Meetings		14,824	13,708	5,360	8,348	13,708	5,360	8,348
E3. Other Activities (Legal Advisor)		12,500	12,018	2,404	9,614	12,018	2,404	9,614
Component Total:		63,781	61,088	13,280	47,808	61,088	13,280	47,808
F. DATA PROCESSING								
F1. Computer Software and Servicing		80,113	48,149	44,586	3,563	48,149	44,586	3,563
F2. Network, Hardware and Supplies		87,631	74,974	68,751	6,223	74,974	68,751	6,223
F3. Training and Staff Development		8,826	7,441	6,064	1,377	7,441	6,064	1,377
Component Total:		176,570	130,564	119,401	11,163	130,564	119,401	11,163

(a) Payable by Japan (not included in total estimates) and applied to Staff Members who are Japanese nationals or permanent residents in Japan only. The estimated amounts also take account of balance carried over from previous years.

Budget Heading	Description	2013	2014			2015		
		Approved Allocation	Estimated Total	JPY-related Component	USD-related Component	Estimated Total	JPY-related Component	USD-related Component
G. OTHER COSTS								
G1. Communications		64,270	52,634	49,476	3,158	52,634	49,476	3,158
G2. Publications		37,826	32,580	23,458	9,122	32,580	23,458	9,122
G3. Transport		101,348	97,006	87,305	9,701	97,006	87,305	9,701
G4. Library		14,941	13,637	6,178	7,459	13,637	6,178	7,459
G5. Supplies		37,196	47,535	41,688	5,847	47,535	41,688	5,847
G6. Hospitality		17,277	14,878	10,727	4,151	14,878	10,727	4,151
G7. Bank Charges		16,831	15,080	8,143	6,937	15,080	8,143	6,937
G8. Audit		69,348	111,537	88,449	23,088	111,537	88,449	23,088
G9. Miscellaneous		6,426	6,419	39	6,380	6,419	39	6,380
Component Total:		365,463	391,306	315,463	75,843	391,306	315,463	75,843
H. COUNCIL MEETINGS								
H1. Costs not met by Host Country		10,326	9,952	9,952	0	9,952	9,952	0
H2. Council Session Outside Japan		200,000 (b)	200,000 (b)	0	200,000	200,000 (b)	0	200,000
Component Total:		210,326	209,952	9,952	200,000	209,952	9,952	200,000
I. COSTS MET BY JAPAN								
I1. Office, equipment, utilities		(c)	(c)	(c)	(c)	(c)	(c)	(c)
I2. Council Meetings		(c)	(c)	(c)	(c)	(d)	(d)	(d)
I3. Initial Travel		(c)	(c)	(c)	(c)	(c)	(c)	(c)
I4. Removal Costs		(c)	(c)	(c)	(c)	(c)	(c)	(c)
I5. Supporting Staff		(c)	(c)	(c)	(c)	(c)	(c)	(c)
Component Total:		(c)	(c)	(c)	(c)	(c) / (d)	(c) / (d)	(c) / (d)
J. CONTINGENCY/SPECIAL RESERVE		--	--	--	--	--	--	--
Component Total:		--	--	--	--	--	--	--
K. ALLOCATION FROM WORKING CAPITAL ACCOUNT		--	--	--	--	(121,025)	--	(121,025)
GRAND TOTAL:		7,003,105	6,402,087	1,937,300	4,464,787	6,795,830	2,029,269	4,766,561

(b) The Council, in its Decision 7(XLVI), decided that "the costs for convening a Council session outside Headquarters, covered by the Administrative US\$400,000 in total". This item is included in this Proposed Biennial Administrative Budget for an equal amount between the Budget, in any two-year period shall be budgeted equally between the two years and shall not exceed two years. The amount (50%) included in the budget for 2014 is to be transferred to be allocated in 2015 to meet expenditures for holding the Council Session to be held outside of Japan in 2015.

(c) Paid directly or reimbursable by Japan based on actual expenditures.

(d) Session of Council to be held outside Japan and costs not reimbursed by Japan.

Table 2

Approved Administrative Budget for the Financial Biennium 2014-2015

Part B. CORE OPERATIONAL COSTS

(in United States dollars)

[Calculations based on the Scales and Rates Applicable in July 2013]

[Post Adjustment Multiplier: 104.9; U.N. Rate of Exchange: USD.1.00 = JPY.98.23]

Budget Heading	Description	2013	2014			2015		
		Approved Allocation	Estimated Total	JPY-related Component	USD-related Component	Estimated Total	JPY-related Component	USD-related Component
O.	COMMUNICATION AND OUTREACH							
	O1. Publications (including TFU)	260,000	260,000	21,580	238,420	260,000	21,580	238,420
	O2. Outreach (conferences, side events, booths)	60,627	84,654	11,852	72,802	84,654	11,852	72,802
	O3. ITTO Website	40,773	84,021	50,413	33,608	84,021	50,413	33,608
	Component Total:	361,400	428,675	83,845	344,830	428,675	83,845	344,830
P.	EXPERT MEETINGS BY COUNCIL							
	P1. Expert Meetings/Workshops	0	140,000	78,400	61,600	140,000	78,400	61,600
	P2. Other Meetings as decided by Council	0	0	0	0	0	0	0
	Component Total:	0	140,000	78,400	61,600	140,000	78,400	61,600
Q.	POLICY WORK (Article 24)							
	Q1. Action Plan	0	0	0	0	0	0	0
	Q2. Guidelines, Manuals, Studies, etc.	0	0	0	0	0	0	0
	Component Total:	0	0	0	0	0	0	0
R.	STATISTICS, STUDIES & INFORMATION							
	R1. Market Information Service (MIS)	200,000	200,000	54,000	146,000	200,000	54,000	146,000
	R2. Market Discussion	35,000	35,000	25,200	9,800	35,000	25,200	9,800
	R3. Relevant Market Studies	40,000	40,000	18,800	21,200	40,000	18,800	21,200
	R4. Work on Statistics	20,000	20,000	0	20,000	20,000	0	20,000
	Component Total:	295,000	295,000	98,000	197,000	295,000	98,000	197,000
S.	ANNUAL REPORT & BIENNIAL REVIEW							
	S1. Annual Report	30,000	30,000	26,400	3,600	30,000	26,400	3,600
	S2. Biennial Review	0	40,000	4,800	35,200	0	0	0
	S3. Promotion of Exchange of Views	0	0	0	0	0	0	0
	Component Total:	30,000	70,000	31,200	38,800	30,000	26,400	3,600
	GRAND TOTAL:	686,400	933,675	291,445	642,230	893,675	286,645	607,030
ADMINISTRATIVE BUDGET GRAND TOTAL:		7,689,505	7,335,762			7,689,505		

Resources available in the Administrative Account
(as at 7 November 2014)

A. Special Reserve Fund (to be utilized only at Council's approval)	\$1,500,000.00
<hr/>	
B. Working Capital Account (WCA)	
Funds available as at 31 December 2013	\$3,830,996.00
<u>Add</u> Arrear Payments and Interests Received:	\$1,207,420.20
- Payments received from Members with Arrears in contributions to Previous Years' Budgets	\$1,163,276.54
- Payments received from Members as Interests levied on Late Contributions	<u>Nil.</u>
- Payments received from "Late/New Joining Members"	\$44,143.66
<hr/>	
Balance of Working Capital Account (as at 7 November 2014):	\$5,038,416.20
<hr/>	
C. Interest Income (for hiring Consultants/Contractors) – Decision 2(XXXIV):	
Interest Income available as at 31 December 2013	\$405,618.01
<u>Add</u> - Interest earned (January – October 2014)	\$67,058.73
<u>Less</u> - Authorized allocation by Council for use in 2015 Administrative Budget	(\$1,505.00)
- Funds used in 2014 to finance hiring of Consultants	(\$51,253.25)
<hr/>	
Balance of Interest Income (as at 7 November 2014):	\$419,918.49
<hr/>	

Summary of Estimated Income and Expenditures for the Financial Year 2015
(in United States dollars)

A. BASIC ADMINISTRATIVE COSTS

1	Estimated Expenditures for the Financial Year 2015 (See pages 1-2)	\$6,795,830.00
2	<u>Add</u> Discount to Members for timely payment of contributions in 2014 ^{*/}	\$0.00
3	<u>Less</u> (partial use of) Bank Interest earned in 2014	(\$830.00)
		<hr/>
	Proposed Assessed Contributions of Members for 2015	\$6,795,000.00
	(a) Producer Members (50%)	\$3,397,500.00
	(b) Consumer Members (50%)	\$3,397,500.00

B. CORE OPERATIONAL COSTS

1	Estimated Expenditures for the Financial Year 2015 (See page 3)	\$893,675.00
2	<u>Add</u> Discount to Members for timely payment of contributions in 2014 ^{*/}	\$0.00
3	<u>Less</u> (partial use of) Bank Interest earned in 2014	(\$675.00)
		<hr/>
	Proposed Assessed Contributions of Members for 2015	\$893,000.00
	(a) Producer Members (20%)	\$178,600.00
	(b) Consumer Members (80%)	\$714,400.00

C. TOTAL PROPOSED NET ASSESSMENTS TO THE ADMINISTRATIVE BUDGET FOR 2015
(See pages 9-10)

1	Proposed Assessed Contributions of Members for 2015	\$7,688,000.00
	(a) Producer Members	\$3,576,100.00
	(b) Consumer Members	\$4,111,900.00

^{*/} In accordance with Article 19, paragraph 8 of the Agreement, any member which has paid its full contribution within four months of the due date shall receive a discount at a rate to be determined from time to time by the Council. Such discounts shall be applied in the form of rebates from the assessed contributions of members in the financial biennium following that in which the discount was earned, and the total amount of such discounts shall become part of the estimated expenditures described in Rule 2 paragraph(a) for the budget for the Administrative Account of the aforesaid following biennium.
(Financial Rules and Rules Relating to Projects of the International Tropical Timber Organization, Chapter III, Rule 4, paragraph 4)

Annex I

STAFF ESTABLISHMENT – 2014 & 2015

		<u>Level</u>
<u>(i) Executive Director and Professional Staff</u>		
1	Executive Director	ASG
2	Assistant Director (Forest Management)	D-1
3	Assistant Director (Trade and Industry)	D-1
4	Assistant Director (Operations)	D-1
5	Planning, Monitoring & Evaluation Officer	P-5
6	Projects Manager (FM)	P-5
7	Projects Manager (TI)	P-5
8	Finance/Administrative Officer	P-4
9	Systems/Market Analyst	P-4
10	Outreach & Communication Officer	P-4
11	Projects Manager (FM)	P-4
<u>(ii) General Service Staff</u>		
12	Senior Finance/Administrative Assistant	GS-7
13	Secretary (OED)	GS-7
14	Programme Assistant (Outreach/Exhibition)	GS-7 */
15	Statistical Assistant (TI)	GS-6
16	Secretary (TI)	GS-6
17	Finance/Administrative Assistant	GS-6
18	Secretary (FM)	GS-5
19	Secretary (FM)	GS-5
20	Communication Assistant	GS-5
21	Finance/Administrative Assistant	GS-5
22	Secretary/Programme Assistant	GS-5
23	IT Assistant/Administrator	GS-6
<u>(iii) Staff funded from Other Accounts</u>		
<u>Programme Support Staff</u>		
24	Regional Officer for Africa	NA
25	Regional Officer for Latin America	NA
26	Projects Manager (FM)	P-4
27	Fellowship Coordinator	GS-7
<u>(iv) Staff provided by the City of Yokohama</u>		
28	Secretary (OP)	-
29	Secretary (OP)	-
30	Driver	-

TOTAL: 30

*/ Post funded 50% through PP-A 39-162A.

ASSESSED CONTRIBUTIONS OF MEMBERS FOR 2015

[Assessed Contributions: (A) Basic Administrative Costs = US\$6795000; (b) Core Operational Costs = US\$893000]

(in United States Dollars)

PRODUCER MEMBERS	Vote	BASIC ADMINISTRATIVE COSTS	CORE OPERATIONAL COSTS	TOTAL NET CONTRIBUTION
	(in numbers)	Assessed Contribution	Assessed Contribution	
Africa				
Benin	25	84,938	4,465	89,403
Cameroon	26	88,335	4,644	92,979
Congo	25	84,938	4,465	89,403
Côte d'Ivoire	25	84,938	4,465	89,403
Demo.Rep.of the Congo	26	88,335	4,644	92,979
Gabon	26	88,335	4,644	92,979
Ghana	25	84,938	4,465	89,403
Liberia	25	84,938	4,465	89,403
Mali	25	84,938	4,465	89,403
Mozambique	26	88,335	4,644	92,979
Togo	25	84,938	4,465	89,403
Asia & Pacific				
Cambodia	21	71,348	3,751	75,099
Fiji	18	61,155	3,215	64,370
India	32	108,719	5,715	114,434
Indonesia	83	281,992	14,823	296,815
Malaysia	126	428,084	22,503	450,587
Myanmar	53	180,067	9,466	189,533
Papua New Guinea	41	139,297	7,323	146,620
Philippines	18	61,155	3,215	64,370
Latin America				
Brazil	143	485,842	25,539	511,381
Colombia	26	88,334	4,644	92,978
Costa Rica	13	44,168	2,322	46,490
Ecuador	19	64,553	3,393	67,946
Guatemala	13	44,168	2,322	46,490
Guyana	17	57,758	3,036	60,794
Honduras	13	44,168	2,322	46,490
Mexico	27	91,732	4,822	96,554
Panama	14	47,565	2,500	50,065
Peru	32	108,719	5,715	114,434
Trinidad and Tobago	12	40,770	2,143	42,913
Sub-Total:	1,000	3,397,500	178,600	3,576,100

CONSUMER MEMBERS	Vote	BASIC ADMINISTRATIVE COSTS	CORE OPERATIONAL COSTS	TOTAL NET CONTRIBUTION
		Assessed Contribution	Assessed Contribution	
Albania	10	33,975	7,144	41,119
Australia	16	54,360	11,430	65,790
China	253	859,565	180,744	1,040,309
European Union ^{*/}	395			1,624,204
Austria	11	37,373	7,858	45,231
Belgium	15	50,963	10,716	61,679
Bulgaria	11	37,373	7,858	45,231
Cyprus	10	33,975	7,144	41,119
Czech Republic	12	40,770	8,573	49,343
Denmark	12	40,770	8,573	49,343
Estonia	10	33,975	7,144	41,119
Finland	10	33,975	7,144	41,119
France	32	108,720	22,861	131,581
Germany	19	64,553	13,574	78,127
Greece	11	37,373	7,858	45,231
Hungary	10	33,975	7,144	41,119
Ireland	14	47,565	10,002	57,567
Italy	28	95,130	20,003	115,133
Latvia	10	33,975	7,144	41,119
Lithuania	10	33,975	7,144	41,119
Luxembourg	10	33,975	7,144	41,119
Malta	11	37,373	7,858	45,231
Netherlands	32	108,720	22,861	131,581
Poland	11	37,373	7,858	45,231
Portugal	15	50,963	10,716	61,679
Romania	10	33,975	7,144	41,119
Slovakia	11	37,373	7,858	45,231
Slovenia	10	33,975	7,144	41,119
Spain	23	78,143	16,431	94,574
Sweden	11	37,373	7,858	45,231
United Kingdom	26	88,335	18,574	106,909
Japan	157	533,406	112,162	645,568
New Zealand	11	37,373	7,858	45,231
Norway	10	33,975	7,144	41,119
Republic of Korea	66	224,234	47,150	271,384
Switzerland	12	40,770	8,573	49,343
United States of America	70	237,824	50,009	287,833
Sub-Total:	1,000	3,397,500	714,400	4,111,900
GRAND TOTAL:	N/A	6,795,000	893,000	7,688,000

^{*/} Total number of votes and assessed contribution amount of all Members of the European Union are shown in bold-italic figures.

LATE/NEW JOINING MEMBERS	Vote (in numbers)	BASIC ADMINISTRATIVE	CORE OPERATIONAL	TOTAL NET CONTRIBUTION
		Assessed Contribution	Assessed Contribution	
Central African Republic .	23	78,142.50	4,107.80	82,250.30
Suriname	15	50,962.50	2,679.00	53,641.50
Viet Nam	18	61,155.00	3,214.80	64,369.80
Sub-Total:	56	190,260.00	10,001.60	200,261.60

Annex III

Estimated Expenditures for the Financial Year 2015

PROGRAMME SUPPORT FUND

(in United States dollars)

[Calculations based on the Scales and Rates Applicable in August 2014

[Post Adjustment Multiplier: 96.4; U.N. Rate of Exchange: USD.1.00 = JPY.102.65]

Description	2015
	Estimated Total
PERSONNEL	
Projects Manager (FM)	306,013
Programme Assistant (Fellowship)	94,417
Component Total:	400,430
REGIONAL OFFICERS	
Latin America	200,000
Africa	140,000
Component Total:	340,000
SUB-CONTRACTS	
Audit/Accounting (IPSAS Training)	40,000
Project Review (OLMS)	30,000
Component Total:	70,000
OTHER EXPENSES	
Communication, mail, etc.	2,000
Bank Charges	20,000
Pre-Proj./Project Hospitality	1,000
Translation Costs	100,000
Other Travel	2,000
Component Total:	125,000
GRAND TOTAL:	935,430