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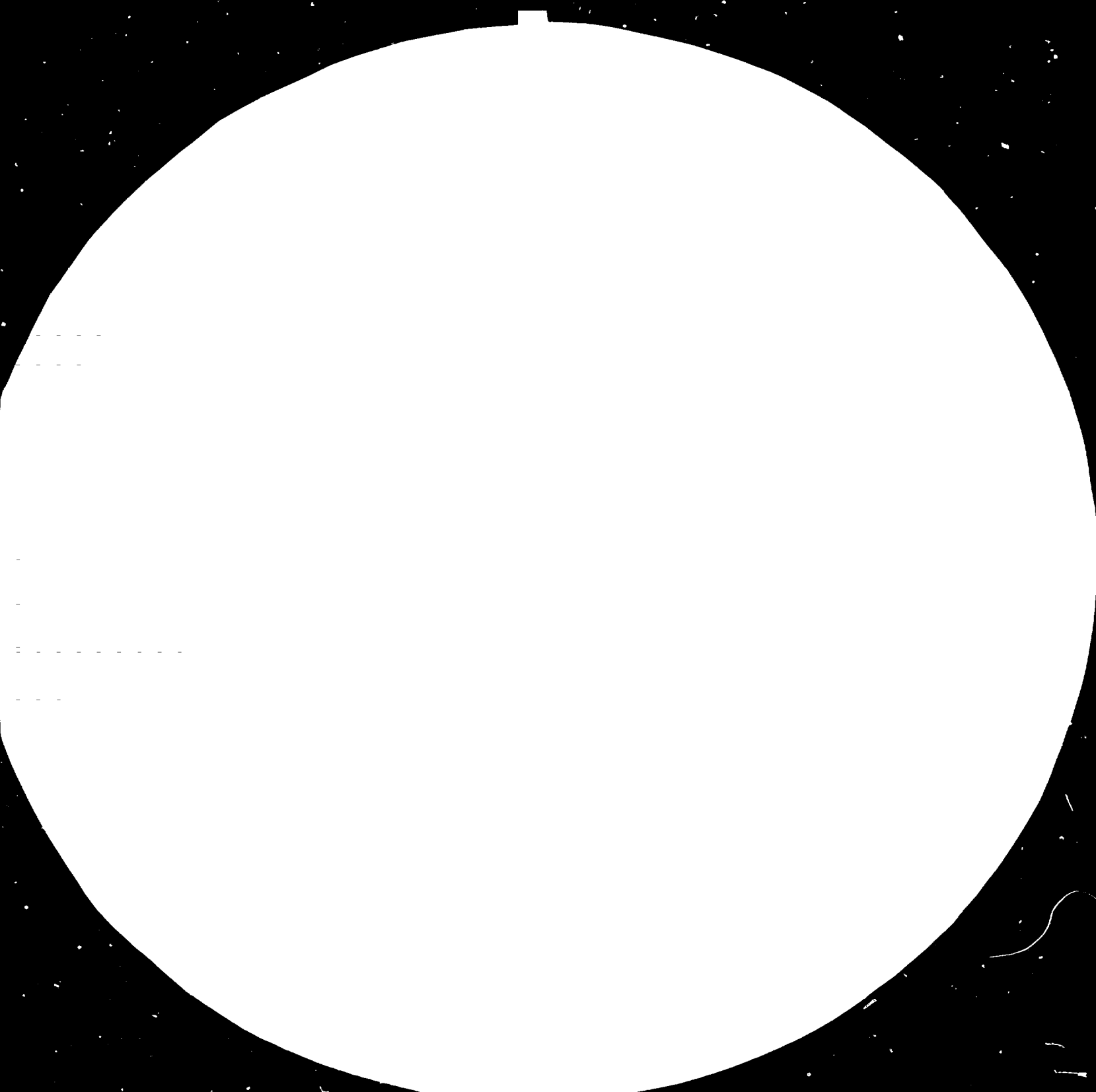
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Ministerial Level Plenipotentiary Meeting on the
Establishment of the International Centre for
Genetic Engineering and Biotechnology

Madrid, Spain, 7-13 September 1983

FINANCIAL MATTERS
RELATING TO THE
INTERNATIONAL CENTRE FOR
GENETIC ENGINEERING AND BIOTECHNOLOGY*

prepared by
the UNIDO Secretariat

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INTRODUCTION

1. The proposed budget of the International Centre for Genetic Engineering and Biotechnology (ICGEB) for its first five years of operation is outlined in the document ID/WG.382/3. The aforesaid document was considered at the High-Level Meeting on the Establishment of the ICGEB held in Belgrade, 13-17 December 1982 and as a result "the UNIDO Secretariat was requested to contact, according to its procedure, potential funding sources in order to assist in the securing of resources for the establishment of the Centre and its operation".^{1/}
2. In accordance with the above-mentioned request, this document describes in section A the contacts made by the Secretariat with potential funding sources. In section B certain other elements relating to the financial arrangements of the ICGEB are discussed. The action required of the Meeting is contained in section C.
3. Attention is invited to the Draft Statutes of the Centre (ID/WG.397/4 and Add. 1 and 2). Article 10 of this document envisages that the financing of the Centre shall in general consist of:
 - (a) Initial contributions for launching the Centre;
 - (b) Annual contributions by the Members preferably in convertible currency;
 - (c) General and special voluntary contributions, including gifts, bequests, subventions and funds in trust from Members, non-member states, the United Nations, its specialized agencies, the International Atomic Energy Agency, the United Nations Development Programme, intergovernmental and non-governmental organizations, foundations, institutions and private persons; and
 - (d) Any other sources.
4. Once the minimum number of states has signed the Statutes and they have come into force, it will be the responsibility of the Board of Governors to approve the operational budget of the Centre.

^{1/} See 'Report' of the High-Level Meeting on the Establishment of the International Centre for Genetic Engineering and Biotechnology, Belgrade, 13-17 December 1982, ID/WG.382/7, section V, para 72.

A. CONTACTS WITH POTENTIAL FUNDING SOURCES

5. In contacting potential funding sources, the Secretariat assumed that potential host countries to the ICGEB will provide adequate financial resources to cover the cost of land, buildings, utilities and fixed cost for laboratories and other service equipment estimated to US\$ 9,530,000 (not including cost of land and building) and possibly a share in the operational cost as initial contribution for launching the Centre.

6. Within the limited resources of the UNIDO Secretariat, missions comprising eminent experts and UNIDO staff members were undertaken to four countries, United Nations funding agencies and private foundations. The countries visited were chosen on the basis of their expressed interest in assisting the ICGEB.

7. Some governments informed the UNIDO Secretariat that, while they would seriously consider, according to their internal procedures, providing voluntary financial contributions toward the operational costs of the ICGEB, final decisions could not be expected before the Ministerial-Level Plenipotentiary Meeting in September 1983. Those governments also wished to have more accurate estimates as to the amount of funds expected to be generated through assessed annual contributions by member states of the ICGEB. Other governments, however, indicated that they would announce initial voluntary contributions prior to or during the Ministerial-Level Meeting, with the anticipation that their contributions will be effective when other governments follow suit.

8. During the High-Level Meeting in Belgrade, December 1982, participating observers from most of the United Nations organizations and specialized agencies expressed the desire of their respective organizations to cooperate with the proposed International Centre. While this wish was reiterated during subsequent contacts made by the Secretariat of UNIDO with these organizations, including the United Nations Development Programme (UNDP) and the World Bank, it became evident that final decisions as to their financial contributions will, in most cases, rest with the legislative bodies of those organizations. In the particular case of UNDP, though the main funding source within the United Nations system, there are presently severe constraints on its resources.

9. A keen interest to support and co-operate with the ICGEB was expressed by certain international and private foundations, particularly those supporting research and development programmes that emphasize benefits to developing countries. It was clear, however, that the size of contributions of such foundations will be relatively limited in comparison with those which could be made by other funding sources, particularly those by governments. A few foundations contacted expressed their wish to be invited to the Ministerial-Level Meeting where they would be in a better position to provide details on the extent of their support, including possible funds they might contribute toward specific programmes of the Centre.

10. It is expected that during the Ministerial-Level Meeting participating governments will be able to make firm pledges of their voluntary contributions. It is also expected that the prospective member states of the ICGEB will address United Nations Development Programme (UNDP) and/or its Governing Council through official channels with the request to accord priority to supporting the Centre and its programmes.

B. OTHER ELEMENTS IN THE FINANCIAL ARRANGEMENTS OF THE ICGEB

11. The operational budget of the Centre estimated to US\$ 34,711,000 for its first five years of operation will be covered through assessed annual contributions by member states. At the same time, voluntary contributions are required to facilitate the launching of the Centre and its activities during the initial years of operation; it will also assist in the implementation of programmes of particular interest to contributing states.

12. In determining the scale of assessed contributions, the following factors will be crucial:

- Selection of host facilities for the Centre;
- Number of countries that will become member states of the ICGEB;
- Method selected for calculating assessed contributions.

13. Having examined the financial resources of similar international research institutions and organizations, and the methods of collecting them, the UNIDO Secretariat found that methods used for calculating assessed contributions of member states of such organizations are in most cases based on the average net national income. In principle, the same practice is followed in the United Nations and its specialized agencies. Hence, Article 11 of the Draft Statutes (document ID/WG.397/4) was formulated along the same lines.

C. ACTION REQUIRED

14. The Meeting is requested to consider the proposed budget of the Centre as outlined in background document ID/WG.382/3 and the issues raised under section A and B of this document. The participating governments are requested to:

- (a) agree on the method to be used for calculating assessed annual contributions of member governments;
- (b) announce pledges of the voluntary contributions of general and specific nature to support the Centre and its activities during the first five years of operation;
- (c) urge the governing bodies of United Nations Development Programme (UNDP), the World Bank, United Nations Financing System for Science and Technology for Development (UNFSSTD) and other international funding agencies to accord priority to supporting the Centre and its operational activities and allocate the adequate financial resources for this purpose.

