## Proposed Budget for 2018

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| ***Submitted by:*** | Secretary-General |
| ***Executive Summary:*** | This paper provides the proposed budget for 2018 for the approval of the Council on behalf of the Member States. |

## Introduction

1. Article VI(g)(iii) of the Convention on the IHO stipulates that the Council …*coordinate during the inter-Assembly period the activities of the Organization within the framework of the strategy, work programme and financial arrangements, as decided by the Assembly*.
2. Decision 24.c of the first IHO Assembly... *confirmed that the Council is empowered to approve the financial statements and any recommendations for the previous year and the budget estimates and the associated annual work programme for each forthcoming year*.

## Discussion

1. The proposed budget estimates for 2018 are presented at Annex A. They are based on the first year of the three-year budget estimates approved by the first session of the IHO Assembly. There are several small variations to the budget estimates approved by the first session of the Assembly. Explanatory notes are provided in the budget presentation shown in Annex A.
2. The variations between the budget estimates approved by the Assembly and those being presented to the Council take into account:

* an anticipated increase in medical costs insurance premiums in 2018, due to an increase in medical reimbursements claimed in 2017; and
* an additional allocation of funds to Contract Support;

1. These increases are offset by:

* an increase in the estimated income due to the recent membership of a new Member State, and
* several reductions in administrative costs, based on recent expenditure history.

1. The budget estimates for 2018 remain balanced with an expected budget surplus of about 0.7% of the budget.

## Action Required of the Council

1. The Council is invited to:
2. **Approve** the budget estimates provided in Annex A to this submission, and
3. **Take any other actions** that may be required.

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| **PROPOSED BUDGET FOR 2018 - *PROJET DE BUDGET POUR 2018*** |

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| **TABLE 1 PROPOSED IHO BUDGET DETAILS FOR 2018 SUMMARY** | ***TABLEAU 1 PROJET DETAILLE DE BUDGET DE L'OHI POUR 2018 RECAPITULATIF*** |

|  | **Approved  3 year budget 2018** | **Proposed Budget 2018** | **Difference *Différence*** | **Notes on differences with the approved 3-year budget estimates** | ***Notes sur les différences avec le budget triennal approuvé*** |
| --- | --- | --- | --- | --- | --- |
|  | ***Budget*** | ***Budget*** |  |  |  |
|  | ***triennal approuvé*** | ***révisé*** |  |  |  |
|  |  |  |  |  |  |
| Number of shares - *Nombre de parts* | 811 | 815 | 4 | Inclusion of a recently joined Member State (Vanuatu) | *Inclusion d'un nouvel Etat Membre (Vanuatu)* |
| Provision for suspended Member States | -8 | -6 | 2 | Revised estimate due to payment of arrears by MS facing suspension | *Estimation révisée suite au règlement des arriérés par les Etats Membres menacés de suspension* |
| *Provision pour Etats membres suspendus* |  |  |  |  |  |
| Final number of shares | 803 | 809 | 6 |  |  |
| *Nombre de parts définitif* |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | (Euros) | (Euros) | (Euros) |  |  |
| Income - *Revenus* | 3,520,529 | 3,543,675 | 23,146 | Increase in income based on 6 additional shares | *Augmentation du revenu basé sur 6 parts supplémentaires* |
| Net Expenditure - *Dépenses nettes* | 3,519,400 | 3,515,900 | -3,500 | Net decrease in expenditure includes an increase in medical premiums and in contract support; and a decrease in salaries to account for recent and anticipated cost of living adjustments, and the removal of a requirement for rental allowance | *La diminution nette des dépenses reflète l'augmentation des cotisations médicales et du support contractuel, et la diminution des salaires pour tenir compte de l’ajustement récent de l'indice basé sur le coût de la vie et la suppression de l’indemnité de logement* |
|  | ------------ | ------------ |  |  |  |
| Budget Excess/Deficit - *Excédent/Déficit budgétaire* | 1,129 | 27,775 | 26,646 |  |  |
|  | ------------ | ------------ |  |  |  |
| Effect on capital - *Effet sur le capital* | 1,129 | 27,775 | 26,646 |  |  |
|  | =========== | =========== |  |  |  |

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| **TABLE 2 INCOME** | ***TABLEAU 2 REVENUS*** |

|  | **Approved  3 year budget 2018** | | **Proposed Budget 2018** | | **Difference *Différence*** | | | **Notes on differences with the approved 3-year budget estimates** | | ***Notes sur les différences avec le budget triennal approuvé*** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ***Budget*** | | ***Budget*** | |  | | |  | |  |
|  | ***triennal approuvé*** | | ***révisé*** | |  | | |  | |  |
|  | |  | |  | |  |  | |  | |
|  | | (Euros) | | (Euros) | | (Euros) |  | |  | |
| CONTRIBUTIONS | | 3,231,529 | | 3,255,675 | | 24,146 | Net increase of 6 shares | | *Augmentation nette de 6 parts* | |
| *Contributions* | |  | |  | |
|  | |  | |  | |  |  | |  | |
| INTEREST ON BANK ACCOUNTS | | 105,000 | | 105,000 | | 0 |  | |  | |
| *Intérêts sur comptes en banques* | |  | |  | |
|  | |  | |  | |  |  | |  | |
| INTERNAL TAX | | 184,000 | | 183,000 | | -1,000 | Salary estimate adjusted to take in to account the actual cost of living increase for 2017 | | *Ajustement des salaires en fonction de l'augmentation réelle du point d'indice en 2017* | |
| *Imposition interne* | |
|  | | ------------ | | ------------ | |  |  | |  | |
|  | | **3,520,529** | | **3,543,675** | | 23,146 |  | |  | |
|  | | ========== | | ========== | |  |  | |  | |

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| **TABLE 3** | ***TABLEAU 3*** |
| **DETAILED EXPENDITURE** | ***DETAIL DES DEPENSES*** |

| **Chapter I Personnel Costs** | **Approved  3 year budget 2018** | | **Proposed Budget 2018** | | **Difference *Différence*** | | | **Notes on differences with the approved 3-year budget estimates** | | ***Notes sur les différences avec le budget triennal approuvé*** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Chapitre I Dépenses de personnel*** | ***Budget*** | | ***Budget*** | |  | | |  | |  |
|  | ***triennal approuvé*** | | ***révisé*** | |  | | |  | |  |
|  | | (Euros) | | (Euros) | | (Euros) |  | |  | |
| Salaries - Directing Committee - *Salaires - Comité de direction* | | 493,000 | | 485,000 | | -8,000 | Net effect of cost of living increase of 0.8% in 2017 instead of 1% that was anticipated | | *Résultat net de l'augmentation de l'indice de 0,8% en 2017 au lieu du 1% anticipé* | |
| - Managerial Members of Staff -  *Personnel d'encadrement* | | 592,000 | | 592,000 | | 0 |
| - Translators - *Personnel de traduction* | | 215,000 | | 215,000 | | 0 |
| - Non managerial Members of Staff - *Services généraux* | | 485,000 | | 480,000 | | -5,000 |
| Overtime for non managerial Members of Staff - *Heures suppplémentaires pour les services généraux* | | 9,000 | | 9,000 | | 0 |  | |  | |
|  | |  | |  | |  |  | |  | |
| **Costs dependent on Salaries - *Coûts liés aux salaires*** | |  | |  | |  |  | |  | |
| Annual Bonus non managerial Members of Staff - *Gratification annuelle (Services généraux)* | | 41,000 | | 40,000 | | -1,000 | Net effect of cost of living increase of 0.8% in 2017 instead of 1% that was anticipated | | *Résultat net de l'augmentation de l'indice de 0,8% en 2017 au lieu du 1% anticipé* | |
| Payment to Retirement schemes - *Cotisation patronale de retraite* | | 385,000 | | 380,000 | | -5,000 |
| Insurances based on wages - *Assurances assises sur salaires* | | 17,000 | | 17,000 | | 0 |  | |  | |
| Medical (GAN premiums) - *Primes médicales versées au GAN* | | 120,000 | | 140,000 | | 20,000 | Estimated increase in medical costs insurance premiums in 2018 due to increase in medical reimbursements in 2017 | | *Estimation de l'augmentation des cotisations en 2018 due à l'augmentation des remboursements médicaux en 2017* | |
| Family Allowances - *Allocations familiales* | | 20,000 | | 20,000 | | 0 |  | |  | |
| Education Grants - *Allocations pour frais d'études* | | 5,000 | | 5,000 | | 0 |  | |  | |
|  | |  | |  | |  |  | |  | |
| **Costs independent of Salaries - *Autres charges indépendantes des salaires*** | |  | |  | |  |  | |  | |
| Medical claims paid - *Remboursements de soins* | | 140,000 | | 140,000 | | 0 |  | |  | |
| Medical refunds from GAN - *Remboursements médicaux du GAN* | | -105,000 | | -105,000 | | 0 |  | |  | |
| Home rental - *Indemnité de logement* | | 7,000 | | 0 | | -7000 | No Staff are likely to be eligible for home rental under the new Staff Regulations | | *Sous le nouveau Règlement du Personnel, aucun membre du personnel ne sera éligible à l’indemnité de logement* | |
| Home Leave - *Congés dans les foyers* | | 15,000 | | 15,000 | | 0 |  | |  | |
| Miscellan. Personnel Expenses - *Autres dépenses de personnel* | | 5,000 | | 4,000 | | -1,000 | Revised estimate based on recent expenditure | | *Estimation révisée sur la base des dépenses récentes* | |
| **Controllable Personnel costs - *Coûts de personnel modulables*** | |  | |  | |  |  | |  | |
| Salaries - Temporary staff - *Personnel temporaire* | | 1,000 | | 1,000 | | 0 |  | |  | |
| Secretariat Staff training - *Formation du personnel du Secrétariat* | | 7,000 | | 7,000 | | 0 |  | |  | |
|  | | ---------- | | ------------ | |  |  | |  | |
| **TOTAL CHAPTER I - *TOTAL CHAPITRE I*** | | **2,452,000** | | **2,445,000** | | **-7000** |  | |  | |

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| **Chapter II – Current Operating Costs** | **Approved  3 year budget 2018** | **Proposed Budget 2018** | **Difference *Différence*** | **Notes on differences with the approved 3-year budget estimates** | ***Notes sur les différences avec le budget triennal approuvé*** |
| ***Chapitre II - Dépenses de fonctionnement*** | ***Budget*** | ***Budget*** |  |  |  |
|  | ***triennal approuvé*** | ***révisé*** |  |  |  |
|  | (Euros) | (Euros) | (Euros) |  |  |
| Maintenance of building - *Entretien des locaux* | 46,000 | 45,000 | -1,000 | Revised estimate based on recent expenditure | *Estimation révisée sur la base des dépenses récentes* |
| Multirisk insurance - *Assurance multi-risques* | 3,500 | 3,500 | 0 |  |  |
| Maintenance of IT equipment - *Entretien des équipements* | 63,000 | 62,000 | -1,000 | Revised estimate based on recent expenditure | *Estimation révisée sur la base des dépenses récentes* |
| Office Stationery - *Fournitures de bureau* | 10,000 | 10,000 | 0 |  |  |
| Postage, telephone, telefax - *Courrier, télécommunications* | 36,000 | 35,000 | -1,000 | Revised estimate based on recent expenditure | *Estimation révisée sur la base des dépenses récentes* |
| Local Travel - *Déplacements locaux* | 2,000 | 2,000 | 0 |  |  |
| Bank Charges - *Frais bancaires* | 9,000 | 8,000 | -1,000 | Based on proposal from new auditor | *Basé sur la proposition du nouvel auditeur* |
| Contract support - *Support contractuel* | 20,000 | 30,000 | 10,000 | Based on actual requirements in 2017 | *Basé sur les besoins réels en 2017* |
| Administrative support for Council - Support administratif pour le Conseil | 20,000 | 20,000 | 0 |  |  |
| Auditors fees - *Honoraires du commissaire aux comptes* | 10,000 | 8,500 | -1,500 | Revised estimate based on recent expenditure | *Estimation révisée sur la base des dépenses récentes* |
| Public Relations - *Relations publiques* | 22,000 | 21,000 | -1,000 | Revised estimate based on recent expenditure | *Estimation révisée sur la base des dépenses récentes* |
| Miscellan. Operating Expenses - *Autres charges d'exploitation* | 1,000 | 1,000 | 0 |  |  |
|  |  |  |  |  |  |
| **Travel costs - *Frais de déplacements*** |  |  |  |  |  |
| Long Distance - *Grands déplacements* | 303,000 | 303,000 | 0 |  |  |
|  |  |  |  |  |  |
| **Publications costs - *Frais de publications*** |  |  |  |  |  |
| I.H. Review - *Revue hydrographique internationale* | 10,000 | 10,000 | 0 |  |  |
| Other publications - *Autres publications* | 1,700 | 1,700 | 0 |  |  |
|  |  |  |  |  |  |
| Provision for bad debts - *Provisions pour créances douteuses* | 50,000 | 50,000 | 0 |  |  |
|  | --------- | ------------ |  |  |  |
| **TOTAL CHAPTER II - *TOTAL CHAPITRE II*** | **607,200** | **610,700** | **3,500** |  |  |

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| **Chapter III – Capital Expenditure** | **Approved  3 year budget 2018** | | **Proposed Budget 2018** | | **Difference *Différence*** | | | **Notes on differences with the approved 3-year budget estimates** | | ***Notes sur les différences avec le budget triennal approuvé*** |
| ***Chapitre III - Dépenses de capital*** | ***Budget*** | | ***Budget*** | |  | | |  | |  |
|  | ***triennal approuvé*** | | ***révisé*** | |  | | |  | |  |
|  | | (Euros) | | (Euros) | | (Euros) |  | |  | |
| Purchase of IT equipment - *Equipements informatiques* | | 10,000 | | 10,000 | | 0 |  | |  | |
| Furniture & other equipment - *Mobilier et autres équipements* | | 5,000 | | 5,000 | | 0 |  | |  | |
| Purchase Publications & Binding - *Reliures et publications* | | 1,000 | | 1,000 | | 0 |  | |  | |
| Depreciation of fixed assets - *Dépréciation des immobilisations* | | 20,000 | | 20,000 | | 0 |  | |  | |
|  | | --------- | | ------------ | |  |  | |  | |
| **TOTAL CHAPTER III - *TOTAL CHAPITRE III*** | | **36,000** | | **36,000** | | **0** | Allocation now separated in two parts: chapters III and IV | | *Allocation séparée désormais en 2 parties: chapitres III et IV* | |
| ============================================================== | | ============== | | ============== | |  |  | |  | |

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| **Chapter IV – Asset Allocation** | **Approved  3 year budget 2018** | | **Proposed Budget 2018** | | **Difference *Différence*** | | | **Notes on differences with the approved 3-year budget estimates** | | ***Notes sur les différences avec le budget triennal approuvé*** |
| ***Chapitre IV - Immobilisations*** | ***Budget*** | | ***Budget*** | |  | | |  | |  |
|  | ***triennal approuvé*** | | ***révisé*** | |  | | |  | |  |
|  | | (Euros) | | (Euros) | | (Euros) |  | |  | |
| Purchase of IT equipment - *Equipements informatiques* | | 15,000 | | 15,000 | | 0 |  | |  | |
| Furniture & other equipment - *Mobilier et autres équipements* | | 10,000 | | 10,000 | | 0 |  | |  | |
| **TOTAL CHAPTER IV - *TOTAL CHAPITRE IV*** | | **25,000** | | **25,000** | | **0** |  | |  | |
|  | |  | |  | |  |  | |  | |
| **Chapter V - Allocation to Funds** | |  | |  | |  |  | |  | |
| ***Chapitre V Dotations aux fonds dédiés*** | |  | |  | |  |  | |  | |
|  | | (Euros) | | (Euros) | | (Euros) |  | |  | |
| GEBCO Fund - *Fonds pour la GEBCO* | | 8,200 | | 8,200 | | 0 |  | |  | |
| GEBCO SCUFN Gazetter | | 30,000 | | 30,000 | |  |  | |  | |
| Renovation and Enhancement Fund - *Fonds de rénovation et d'amélioration* | | 0 | | 0 | | 0 |  | |  | |
| Conference Fund - *Fonds pour les conférences* | | 20,000 | | 20,000 | | 0 |  | |  | |
| Relocation Fund - *Fonds pour les déménagements* | | 5,000 | | 5,000 | | 0 |  | |  | |
| Capacity Building Fund - *Fonds pour le renforcement des capacités* | | 206,000 | | 206,000 | | 0 |  | |  | |
| Special Project Fund - *Fonds pour les projets spéciaux* | | 50,000 | | 50,000 | | 0 |  | |  | |
| IBSC Fund - *Fonds IBSC* | | 10,000 | | 10,000 | | 0 |  | |  | |
| Internal Retirement Fund - *Fonds de Retraite Interne* | | 70,000 | | 70,000 | | 0 |  | |  | |
|  | | --------- | | ------------ | |  |  | |  | |
| **TOTAL CHAPTER V - *TOTAL CHAPITRE V*** | | **399,200** | | **399,200** | |  |  | |  | |
|  | | ------------ | | ------------ | |  |  | |  | |
| **TOTAL EXPENDITURE - *Dépense totale*** | | **3,519,400** | | **3,515,900** | | **-3,500** |  | |  | |
|  | | ============ | | ============ | |  |  | |  | |

| **Chapter V - FUNDS *Chapitre V - FONDS*** | **Anticipated Funds available at end 2017 *Fonds prévus disponibles à la fin 2017*** | **Expected income in 2018 *Revenus prévus en 2018*** | **Proposed Expenditure for 2018 *Propositions de dépenses pour 2018*** | **Anticipated Funds remaining at end of 2018 *Fonds prévus restants à la fin 2018*** | **Comments** | ***Commentaires*** |
| --- | --- | --- | --- | --- | --- | --- |
| **GEBCO FUND *FONDS POUR LA GEBCO*** | 52,034.02 | 46,500.00 | 10,000.00 | 88,534.02 | Allocation includes the contribution from Monaco.  Abudget proposal for 2018 has not been submitted by GEBCO Guiding Committee - estimated expenditure is based on previous years | *L'allocation inclut la subvention reçue de Monaco. Budget 2018 pas encore présenté par le comité directeur GEBCO - dépenses estimées sur la base des années précédentes* |
| **GEBCO FUND - EXTERNAL FUNDING *FONDS POUR LA GEBCO - FINANCEMENT EXTERNE*** | 943.00 |  |  | 943.00 | Includes funds received from the Nippon Foundation in support of the 2016/2017 AND 2017/2018 GEBCO training program and of the FFOFM  Additional income and expenses are expected in relation with Seabed 2030 | *Inclut les fonds reçus de la Nippon Foundation en support du programme de formation GEBCO 2016/2017 et 2017/2018 et du Forum*  *Des revenus et des dépenses supplémentaires sont à prévoir au titre du projet Seabed2030* |
| **ABLOS CONFERENCE FUND *FONDS POUR LA CONFERENCE ABLOS*** | 2,353.81 |  |  | 2,353.81 | Expenditures related to the ABLOS Conferences should be balanced by the registration fees | *Les dépenses relatives aux conférences ABLOS devraient être équilibrées par les frais d'inscription* |
| **RENOVATION AND ENHANCEMENT FUND *FONDS DE RENOVATION ET D'AMELIORATION*** | 79,292.31 | 0.00 | 0.00 | 79,292.31 | No requirement to add to fund in 2018 | *Pas de besoin de dotation en 2018* |
| **CONFERENCE FUND *FONDS POUR LES CONFERENCES*** | 240,690.44 | 20,000.00 |  | 260,690.44 |  |  |
| **PRESENTATION LIBRARY FUND *FONDS POUR LA BIBLIOTHEQUE DE PRESENTATION*** | 42,002.00 |  |  | 42,002.00 | Eventual expenditure to be approved by HSSC should be balanced by the income from the sales of new editions of the S-52 Presentation Library | *Les dépenses éventuelles à approuver par le HSSC devraient être équilibrées par les ventes de la nouvelle édition de la bibliothèque de présentation S-52* |
| **RELOCATION FUND *FONDS POUR LES DEMENAGEMENTS*** | 188,111.04 | 5,000.00 | 0 | 193,111.04 | The anticipated funds available at end 2017 are based on departure of SG and one Director | *Les fonds prévus disponibles à la fin 2017 sont basés sur le départ du SG et d’un directeur* |
| **INTERNAL RETIREMENT FUND *FONDS DE RETRAITE INTERNE*** | 3,650,157.03 | 70,000.00 | 141,885.00 | 3,578,272.03 | Opening and closing balances take into account pension payments to retired staff, contributions by active staff and interest on capital sum | *Les montants de début et de fin de période tiennent compte des pensions versées aux retraités, des contributions du personnel en activité et des intérêts sur le capital* |
| **SPECIAL PROJECTS FUND *FONDS POUR LES PROJETS SPECIAUX*** | 77,597.00 | 50,000.00 | 50,000.00 | 77,597.00 | Estimated expenditures subject to the 2018 work programme to be approved by HSSC | *Dépenses estimées en attente du programme de travail 2018 à approuver par le HSSC* |
| **IBSC FUND *FONDS IBSC*** | 35,009.00 | 10,000.00 | 10,000.00 | 35,009.00 | The annual operational expenses of the IBSC are expected to be balanced by fees levied on those institutions seeking recognition for their courses. | *Les dépenses annuelles de fonctionnement du comité doivent être équilibrées par les redevances versées par les organismes ayant un cours homologué* |
| **CAPACITY BUILDING FUND  *FONDS POUR LE RENFORCEMENT DES CAPACITES*** | 969,663.27 | 206,000.00 | 988,596.00 | 187,067.27 |  |  |
| **TOTAL** | **5,337,852.92** | **407,500.00** | **1,200,481.00** | **4,544,871.92** |  |  |