



IHB File : CBC-1

CIRCULAR LETTER 87/2004
15th December 2004

ESTABLISHMENT OF AN IHO CAPACITY BUILDING FUND

Dear Hydrographer,

I.- Background information.

One of the IHO strategic issues recognized by the Organization's Strategic Plan is Capacity Building. In April 2003 the IHO, at the initiative of the IHB, established the IHO Capacity Building Committee (CBC), which has held so far two meetings.

Some of the progress made includes the establishment of a "capacity building" definition, the update of M-2, support to update of S-55, development of an IHO Capacity Building Strategy, preparation of a draft CB Management Plan to be completed by the RHCs', contribution to deliver technical workshops associated to the EAthC and SWPHC recent conferences and preparation of a 3 year CB Work Programme (2005/2007).

At its last meeting, the CBC tasked its Chairman to "take action to establish an IHO Capacity Building Fund", as it was considered to be a mechanism in which present and future CB initiatives could be fostered.

II.- Purpose of the Capacity Building Fund

The Capacity Building Fund (CBF) is defined as a mechanism to support the Capacity Building Work Programme (CBWP) developed by the CBC and approved by Member States.

The resources of the CBF shall be used to support the main capacity building activities, for example:

- technical assistance
- training and education,
- financial assistance for participation in IHO events and
- start-up funding for hydrographic elements of projects.

All the above with the sole objective to assist developing countries in building human and institutional capacities for the effective development of hydrographic surveying and nautical

charting capabilities needed to comply with the IHO objectives and related requirements defined in SOLAS and in other international regulations.

The CBF will be a vital tool alongside a costed CB Management Plan and CB Work Programme. It will enable the IHOCBC to assess proposals submitted by the RHCs and to recommend an annual Capacity Building Work Programme to Member States.

III.- Present situation.

Today and since 1982, the budgetary structure of the IHO considers “Technical Assistance” under travel costs within Chapter II “Current Operating Costs”. The resources in this part of the budget are mainly dedicated to fund expert visits to Member States as well as to Non Member States in an effort to contribute to improving international hydrography, making emphasis on its importance for safety of navigation, protection of the marine environment, and other areas stipulated in IHO Publication M-2 “National Maritime Policies and Hydrographic Services”.

But there is no special account within our budgetary system to facilitate the income of extraordinary resources, such as voluntary contributions made by governments, other international organizations, public or private institutions, associations or private individuals. In fact the IHB has been approached in this sense by some entities willing to offer resources to be used in the interest of the IHO capacity building objectives, but the IHO lacks a special account for their allocation. In our opinion the IHB needs to establish a Capacity Building Fund; to open a special bank account for these resources and to set some procedures to administer the resources allocated to this Fund.

In the opinion of the Directing Committee, these issues deserve the highest attention of the organization. We need to think positively and avoid complex solutions, when practical solutions could be agreed and put into practice as soon as possible. Certainly, any improvement sought to be introduced after we have started should be considered, but this should not stop us from initiating a mechanism that could solve the organization’s needs.

IV.- Proposal by the Directing Committee.

As regard to the Capacity Building Fund and special bank account.

1.- The IHB to establish within the present structure, a Capacity Building Fund under Chapter VIII and to open a special bank account for the only purpose to facilitate the management and control of the resources received to support capacity building initiatives either coming from the normal IHO budget and/or extraordinary external contributions received.

These funds to be used in the following four main streams:

Technical Assistance

Concept: These funds will support technical visits to Member States to: assess hydrographic surveying, nautical charting and nautical information status; provide guidelines for the development of local hydrographic capabilities and/or to discuss and advise on technical matters pertaining to hydrographic projects. The technical visits to Non Member States are also considered under this concept. In brief, the resources under this topic are to be used to implement visits and related capacity building activities **consistent with the IHO Work Programme.**

Training and Education

Concept: These funds will support the implementation of hydrographic, nautical cartography and other related training and education initiatives **consistent with the IHO Work Programme.**

Financial Assistance

Concept: These funds will support Member States representatives to attend courses and/or technical meetings as necessary on the interest of the organization, **consistent with the IHO Work Programme.**

Start-up Projects

Concept: These funds will support the very first steps of the implementation of high priority hydro-cartographic projects **consistent with the IHO objectives.**

Note: Details of the special bank account shall be provided to all Member States and other potential donors to facilitate their contribution.

b) As regard to the Procedures

1.- The RHCs Chairmen shall report to the CBC Chairman, no later than April each year, on the main capacity building initiatives needing financial support. The needs shall be clearly identified as well as the regional priority assigned.

2.- The CBC at its yearly meeting, May/June each year, shall analyze all requirements received from the RHCs and considering the IHO WP & Budget approved by the Conference shall agree on a prioritized CB Work & Budget for the following year, to be submitted to MSs for approval through the IHB.

3.- The IHB shall include the CB Work Programme & Budget into the IHO WP & Budget proposal requesting MSs approval, following the existing procedure.

4.- The IHB shall report annually within the existing accountability system full details of Incomes and Expenditures associated to these resources. Expenditures will be executed according to the CB Work Programme and Budget proposed by the IHO Capacity Building Committee for MS approval, as part of the normal IHO WP & Budget approval process.

5.- Funds not used within the calendar year shall continue being part of the Capacity Building Fund (like all other existing funds ie.: the IH Conference Fund) to be used in support of future Capacity Building activities identified in the IHO Work Programme.

V.- Other comments.

1.- The suggested administrative changes to the actual structure of the IHO Budget can be made without any financial implication.

2.- The IHB can manage the Capacity Building Fund with the available existing human resources. The guidance of the Capacity Building Committee, as established in its terms of reference is certainly welcome.

3.- The Annual Report, Part 2, Finances should consider an Annex containing a detailed report on the management of the Capacity Building Fund.

4.- Contributions earmarked for a specific capacity building initiative may also be received.

VI.- In Conclusion.

The IHB Directing Committee, being strongly supportive of the request of the Capacity Building Committee to establish an IHO Capacity Building Fund and taking into account that this initiative does not have any financial implication, has decided to propose to Member States the establishment of an IHO “ Capacity Building Fund” in the way indicated above.

In line with the proposal indicated, the Directing Committee is submitting a new Administrative Resolution (Annex A) to be incorporated in the Publication M-3 “ Resolutions of the IHO” under Chapter R “ Financial Administration”, section 6 “ IHO Capacity Building Fund”.

The Directing Committee request Member States to send in the attached voting paper (Annex B) by 1st February 2005 with any comments they may have.

On behalf of the Directing Committee
Yours sincerely,

A handwritten signature in blue ink, appearing to be 'H. Gorziglia', written over a faint circular stamp or watermark.

Captain Hugo GORZIGLIA
Director

Annex A: New Administrative Resolution Proposed.
Annex B: Voting Form.

NEW ADMINISTRATIVE RESOLUTION PROPOSED.

**Publication M3 “Resolutions of the IHO”.
Chapter “R” “Financial Administration”.
Section “6” “IHO Capacity Building Fund”.**

R 6.1 Purpose of the Capacity Building Fund

The Capacity Building Fund (CBF) is defined as a mechanism to support the Capacity Building Work Programme (CBWP) developed by the Capacity Building Committee (CBC) and approved by Member States.

The resources of the CBF shall be used to go in support the main capacity building activities, as for example:

technical assistance,
training and education,
financial assistance for participation in IHO events and
start-up funding for hydrographic elements of projects,

all with the solely objective to assist developing countries in building human and institutional capacities for the effective development of hydrographic surveying and nautical charting capabilities needed to comply the IHO objectives and related requirements defined in SOLAS and in other international regulations.

The CBF will be a vital tool alongside a coasted CB Management Plan and CB Work Programme. It will enable the IHOCBC to assess proposals submitted by the RHCs and to recommend an annual Capacity Building Work Programme to Member States.

R 6.2 The Capacity Building Fund.

The Capacity Building Fund will be integrated by:

**An annual contribution from the IHO Budget approved by Member States.
Donations made by governments, other international organizations, funding agencies,
public or private institutions, associations or private individuals in support to IHO
Capacity Building initiatives.**

Contributions earmarked for a specific capacity building initiative may also be received.

The IHB shall open a special bank account for the only purpose to facilitate the management and control of the resources received to support capacity building initiatives either coming from the normal IHO budget and/or extraordinary external contributions received.

Note: Details of the special bank account shall be provided to all Member States and other potential donors to facilitate their contribution.

R 6.3 Uses of the Capacity Building Fund.

The Capacity Building Fund is to be used in the following four main streams:

Technical Assistance

Concept: These funds will support technical visits to Member States to: assess hydrographic surveying, nautical charting and nautical information status; provide guidelines for the development of local hydrographic capabilities and/or to discuss and advise on technical matters pertaining to hydrographic projects. The technical visits to Non Member States are also considered under this concept. In brief, the resources under this topic are to be used to implement visits and related capacity building activities **consistent with the IHO Work Programme.**

Training and Education

Concept: These funds will support the implementation of hydrographic, nautical cartography and other related training and education initiatives **consistent with the IHO Work Programme.**

Financial Assistance

Concept: These funds will support Member States representatives to attend courses and/or technical meetings as necessary on the interest of the organization, **consistent with the IHO Work Programme.**

Start-up Projects

Concept: These funds will support the very first steps of the implementation of high priority hydro-cartographic projects **consistent with the IHO objectives.**

R 6.4 Procedures.

1.- The RHCs Chairmen shall report to the CBC Chairman, no later than April each year, on the main capacity building initiatives needing financial support. The needs shall be clearly identified as well as the regional priority assigned.

2.- The CBC at its annual meeting, May/June, shall analyze all requirements received from the RHCs and considering the IHO WP & Budget approved by the Conference, shall agree on a prioritized CB Work Programme & Budget for the following year to be submitted to Member States for approval through the IHB.

3.- The IHB shall include the CB Work Programme & Budget into the IHO WP & Budget proposal requesting Member States approval, following the existing procedure.

4.- The IHB shall report annually within the existing accountability system full details of income and expenditures associated to these resources. Expenditures will be executed according to the CB Work Programme and Budget proposed by the IHO Capacity Building Committee for Member States approval, as part of the normal IHO WP & Budget approval

process. The Annual Report, Part 2, Finances should consider an Annex containing a detailed report on the management of the Capacity Building Fund.

5.- Funds not used within the calendar year shall continue being part of the Capacity Building Fund (like all other existing funds ie.: the IH Conference Fund) to be used in support of future Capacity Building activities identified in the IHO Work Programme.

IHB 15th December 2004

Annex B to CL 87/2004
IHB File N° CBC-1

IHO CAPACITY BUILDING FUND

Voting Form

(to be returned to the IHB by 1st February 2005

E-mail: info@ihb.mc - Fax: +377 93 10 81 40)

Member State:

1. Do you agree with the establishment of an IHO Capacity Building Fund?

YES NO

Comments:

2. Do you agree with the text of the New Administrative Resolution as proposed in Annex A of this Circular Letter ?

YES NO

Comments:

Date:Signature: