IOC Circular Letter No. 2416

(Available in English and French)

To: IOC National Official Coordinating Bodies of IOC Member States

cc: Permanent Delegates / Observer Missions to UNESCO of IOC Member States
    National Commissions for UNESCO of IOC Member States
    Chair and Vice-Chairs of IOC and Major Subsidiary Bodies

Subject: URGENT: financial situation of UNESCO and the IOC and Programme and budget for 2012–2013 (36 C/5)


However, following the General Conference vote admitting Palestine as a Member State of UNESCO the United States of America and Israel have withheld their assessed contributions (22,38 % of UNESCO totals), resulting in Regular Programme budget deficit of US$ 72 million for 2011 and a projected budget shortfall of US$ 146 million for 2012–2013, with a resulting financing gap of US$ 167 million.

To restore cash-flow stability and to eliminate the deficits for both 2011 and the next two years, UNESCO is effecting a budget reduction of US$ 188 million or 29 % of the approved budget, with all programme sectors reduced by 31 %. For the IOC this is a cut of US$ 3.2 million for 2012–2013. Even with utilizing what little flexibility there is in staff allocation, the reduction translates into a 77 % cut to resources for activities.

At this level of cut, the IOC risks losing its recognized leadership in ocean sciences, observations, data management, and services. Achieving our objectives will depend more and more on IOC Member States contributions.

US law also forces the withholding of US agency voluntary contributions to UNESCO and to IOC. This situation differs from that of 1984–2002, when the USA voluntary withdrew from UNESCO while remaining a member of IOC, and thus was able to support the IOC through voluntary contributions. In the current situation, the USA remains a member of IOC and of UNESCO.

Chairperson
Dr Sang-Kyung BYUN
Principal Research Scientist - Climate Change & Coastal Disaster Research Dept.
Korea Ocean Research & Development Institute
Ansan, P.O. Box 29, 425-600 Seoul
REPUBLIC OF KOREA

Executive Secretary
Dr Wendy WATSON-WRIGHT
Intergovernmental Oceanographic Commission — UNESCO
1, rue Miollis
75732 Paris Cedex 15,
FRANCE

Vice-Chairpersons
Prof. Peter M. HAUGAN
Director, Geophysical Institute
University of Bergen
Allégaten 70
5007 Bergen
NORWAY

Dr Atanas PALAZOV
Director, Institute of Oceanology – Varna
Bulgarian Academy of Sciences
P.O. Box 152
Varna 9000
BULGARIA

Capt. Frederico Antonio SARAIWA
NOGUEIRA
Directorate of Hydrography and Navigation
Rue Bartol de Jacegui, s/nº
Ponta da Armação
Niterói, Rio de Janeiro
CEP 24.048.900
BRAZIL

Prof. Yutaka MICHIDA
University of Tokyo
Member of National Committee for IOC
Kashihara 5-1-5
Kashiwa 277-8564
Chiba
JAPAN

Prof. Adoté Blim BLIVI
Chef de Recherche
Head of CQILE
Ministère de l’Enseignement Supérieur et de la Recherche
University of Lomé,
B.P. 1515
Lomé 228
TOGO
With the suspension of U.S. contributions the ability of IOC to maintain some of these programmes ceases or is significantly impaired.

For many years the USA has been consistently one of the largest contributors to the IOC and the main contributor to the IOC Special Account, fully supporting science and observation programmes like the International Ocean Carbon Coordination Project (IOCCP) and the Ocean Observations Panel for Climate (OOPC), the large majority of the cost of the JCOMM In Situ Observing Platform Support Centre (JCOMMOPS), and also making significant contributions to the Tsunami Programme, the International Oceanographic Data and Information Exchange (IODE) and the Ocean Biogeographic Information System (OBIS). Details can be found in Annex A. Five of the 25 professional staff members in the IOC secretariat – Kathy Tedesco and Maciej Telszewski (IOCCP ocean carbon observation), Albert Fischer (OOPC ocean climate observations), Mathieu Belbeoch and Kelly Stroker (Argo and DBCP JCOMMOPS observing system technical coordination) – will potentially leave IOC employment in 2012, following the planned redirection of US funds supporting these positions to other organizations (SCOR and WMO). While these US-supported programmes and staff should be able to continuously serve the ocean community through the efforts of the US agencies involved (NSF and NOAA) and our partner organizations, the IOC role will be diminished.

The unprecedented situation that we are experiencing today requires the highest level of responsibility by the Member States to preserve the mission and functions of the Commission. Article 10 of the Statutes on Financial and other resources offers different options to support the IOC (Annex B), in particular through:

- Additional appropriations to the regular programme
- Voluntary contributions to the IOC Special Account
- Voluntary contributions to Funds-in-Trust

UNESCO has also established a Multi-donor Emergency Fund—open to all donors, from Member States to public institutions, foundations and individuals—to which the IOC Member States can contribute, earmarking their contributions to the Commission. Additional financial arrangements targeted to the IOC may be discussed with the Director-General.

I urge all Member States to support the IOC financially so that the programme for 2012–2013 approved by the IOC Assembly at its Twenty-sixth session can be implemented effectively and on a continuing basis.

This is a difficult and, we believe, temporary financial situation, but I am convinced that we will be able to overcome it through the close work of the IOC secretariat with Member States. Bringing our work closer together and finding creative solutions can only reinforce the IOC in the long term.

Yours sincerely,

[signed]

Wendy Watson-Wright
Executive Secretary, IOC
Assistant Director-General, UNESCO

Enclosures:  Annex A: Summary of longstanding USA voluntary contributions to IOC withheld under US law
             Annex B: Modalities of financial contribution to the IOC
### Annex A
### SUMMARY OF LONGSTANDING USA VOLUNTARY CONTRIBUTIONS TO IOC WITHHELD UNDER US LAW

<table>
<thead>
<tr>
<th>US agency source</th>
<th>2011 contribution (future contributions to be withheld)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IOC total</strong></td>
<td><strong>$ 833,000</strong></td>
</tr>
</tbody>
</table>

#### International Ocean Carbon Coordination Project (IOCCP)
IOCCP promotes the development of a global network of ocean carbon observations for research. The IOCCP is co-sponsored by the IOC and the Scientific Committee for Oceanic Research (SCOR).

- **NSF** $255,000

#### Ocean Observations Panel for Climate (OOPC) and the Global Sea Level Observing System (GLOSS)
The OOPC manages the sustained global ocean observing system for climate in support of the goals of its sponsors. It is a building block of the larger Global Ocean Observing System (GOOS), and a panel of the Global Climate Observing System (GCOS) and the World Climate Research Programme (WCRP). The contribution also includes programme support for the Global Sea Level Observing System (GLOSS).

- **NOAA** $181,000

#### JCOMM In Situ Observing Platform Support Centre (JCOMMOPS)
JCOMMOPS provides international technical coordination for oceanographic and marine meteorological observations from drifting buoys, moored buoys in the high seas, ships of opportunity and sub-surface profiling floats, with two technical coordinators hosted by CLS in Toulouse, France. JCOMMOPS operates under the auspices of the Joint WMO-IOC Technical Commission for Oceanography and Marine Meteorology (JCOMM).

- **NOAA** $247,000*

#### Various IOC programmes
The US Department of State provided annual report for various IOC activities, including support for tsunami early warning systems, ocean observations, and strategic planning.

- **US Department of State** $150,000

---

*The 2001 contribution from NOAA is not expected to arrive at IOC.*
Annex B

MODALITIES OF FINANCIAL CONTRIBUTION TO THE IOC

The IOC of UNESCO may receive voluntary contributions under three main modalities:

**Appropriations to the Regular Budget** intended to reinforce an existing budget line. The funds are treated in the same manner as the Regular Budget, which mainly means that the contribution must be expended during the biennium for which it is allocated, and that no individual narrative or financial reporting will be provided to the funding source. This modality is therefore mainly used for relatively minor contributions directly related to Regular Programme activities, and for which the donor requires no particular narrative and financial reporting. Such appropriations are, however, regularly reported to UNESCO's and IOC Governing Bodies. *(Programme support costs: 0)*

**IOC Special Account** - the account is of a multi-year and multi-donor nature; the contributions are pooled in the account, no individual narrative or financial reporting is provided to the donor. However, an annual financial and narrative report is prepared for the full special account for presentation to the IOC Governing Bodies *(Programme support costs: 10 % of direct project costs)*

**Funds-in-trust agreements** directed towards a specific project or programme identified by the funding source in cooperation with UNESCO/IOC. A separate account is created for each activity; and detailed narrative and financial reporting is provided to the donor. The donor retains ownership of the funds throughout the life of the project and must be consulted on major modifications of the project design and budget. Possible savings at the end of the project are restored to the donor. Most funds-in-trust agreements are limited to a single donor, and tied to a single project; but multi-donor trust funds in favour of multi-year programmes may also be envisaged. *(Programme support costs: 13 % of direct project costs)*