



**MEETING OF THE PARTIES TO THE PROTOCOL
TO ELIMINATE ILLICIT TRADE IN TOBACCO PRODUCTS**

**FCTC/MOP/2/INF.DOC./1
17 June 2021**

**Second session
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Provisional agenda item 6.3**

Proposed Workplan and Budget for the financial period 2022–2023

Explanatory note

Purpose of the document

This explanatory note describes the structure of the proposed Workplan and Budget for the financial period 2022–2023 and the distribution of activities under core funding and extra-budgetary funding. It also and explains the rationale and assumptions made in calculating the various activities.

Action by the Meeting of the Parties

The Meeting of the Parties (MOP) is invited to note the additional information contained in this report when considering for adoption the proposed Workplan and Budget for the financial period 2022–2023.

Contribute to the Sustainable Development Goals (SDGs), if applicable: SDG 3 and Target 3.a.

Link to the workplan and budget item: N/A.

Additional financial implications if not included in the workplan and budget: None.

Related document(s): FCTC/MOP/2/11.

BACKGROUND

1. This document is an explanatory note for the proposed Workplan and Budget for the financial period 2022–2023 as presented in document FCTC/MOP/2/11 for the consideration of the Meeting of the Parties (MOP) to the Protocol to Eliminate Illicit Trade in Tobacco Products. The proposed 2022–2023 Workplan and Budget is structured according to three strategic goals and two operational goals, which are further broken down into 10 objectives and corresponding activities.
2. Annex 1 of document FCTC/MOP/2/11 contains the estimate of costs related to activities undertaken in relation to the Protocol broken down by goals, objectives, activities and source of funding. The budget figures corresponding to different lines of the workplan indicate the estimates of the cost of specific activities, and the columns of the workplan indicate the source of funding: Assessed Contributions (AC) or Extra-budgetary Contributions (EB).
3. Annex 2 of document FCTC/MOP/2/11 presents a breakdown of staff costs.
4. As in previous years, the budget will be based on AC, according to the scale of assessment adopted by the MOP, and on EB that the Convention Secretariat would be mandated to mobilize.

ACTIVITIES

5. The total proposed budget for the activities in 2022–2023 financial period is US\$ 2 771 085.
6. The following table shows the distribution of the costs by source of funding.

Total proposed Budget 2022–2023 (in US\$)

Covered by Assessed Contributions (AC)	
Objective	Cost in US\$
Support Parties in fulfilling their reporting obligations and assess global progress	10 000
Facilitate and promote the exchange and generation of information, knowledge and expertise	50 000
Promote multisectoral collaborative efforts for implementation and ratification of the Protocol	0
Provide technical assistance to Parties upon request	0
Raise awareness about the importance of the Protocol	0
Promote the importance of becoming observers to the MOP with relevant international intergovernmental organizations (IGOs) and nongovernmental organizations (NGOs)	0
Enhance cooperation and communication with relevant IGOs and NGOs	8 000
Provide for the optimal operation of the MOP, the Bureau of the MOP and working groups or expert groups established by MOP	740 085
Provide adequate staff and financial management	25 000
Mobilize resources to support the implementation of the Protocol	10 000
Total cost of activities to be covered by Assessed Contributions	843 085

Covered by Extra-budgetary Contributions (EB)	
Objective	Cost in US\$
Support Parties in fulfilling their reporting obligations and assess global progress	82 000
Facilitate and promote the exchange and generation of information, knowledge and expertise	320 000
Promote multisectoral collaborative efforts for implementation and ratification of the Protocol	430 000
Provide technical assistance to Parties upon request	600 000
Raise awareness about the importance of the Protocol	70 000
Promote the importance of becoming observers to the MOP with relevant international intergovernmental organizations (IGOs) and nongovernmental organizations (NGOs)	5 000
Enhance cooperation and communication with relevant IGOs and NGOs	41 000
Provide for the optimal operation of the MOP, the Bureau of the MOP and working groups or expert groups established by MOP	370 000
Provide adequate staff and financial management	0
Mobilize resources to support the implementation of the Protocol	10 000
Total cost of activities to be covered by Extra-budgetary Contributions	1 928 000
Total cost of activities	2 771 085

7. Measures outlined in the workplan are intended to support implementation of various articles of the Protocol and to encourage more Parties to the WHO Framework Convention on Tobacco Control (WHO FCTC) to become Parties to the Protocol. Some activities reflect the continuation of mandates from previous decisions, and others reflect new actions that will require the guidance and validation of the MOP.

8. The tables below provide more information on the proposed activities and the rationale for calculating the budget.

1	Goal 1. Assessing progress, sharing knowledge and promoting the exchange of information	
	Details of activity	Budget rationale*
1.1	Objective 1.1. Support Parties in fulfilling their reporting obligations and assess global progress	
1.1.1	Run the 2023 reporting cycle <i>Requesting, receiving, analysing and providing feedback to reports from the Parties. Identifying trends and areas in the Protocol that require special attention.</i>	Costs related to editing and translating amendments to the reporting instrument and other relevant documents into the United Nations languages and additional short-term analytical capacity in the Convention Secretariat for data analysis
1.1.2	Regularly update the Protocol implementation database <i>Uploading reports and information received from Parties in the database</i>	Information technology costs related to the maintenance and improvement of the Protocol reporting module

1 Goal 1. Assessing progress, sharing knowledge and promoting the exchange of information		
	Details of activity	Budget rationale*
1.1.3	Produce the 2023 Global Progress Report <i>Developing a report on the global progress of implementation of the Protocol, underlining the achievements and challenges for Parties</i>	Costs related to preparing, editing and designing the report
1.1.4	Organize regional or subregional training workshops on reporting in the regions most in need <i>Capacity-building workshops to further strengthen the capacity of Parties to report</i>	Costs related to travel support, per diem, interpretation, venue and other local costs. Budget planned for two workshops with one participant from each Party.
1.2	Objective 1.2. Facilitate and promote the exchange and generation of information, knowledge, and expertise	
1.2.1	Establish an interim solution of the Global Information-sharing Focal Point <i>Statutory obligation under Article 8 of the Protocol</i>	Information technology costs related to the establishment and maintenance of an interim solution for the Global Information-sharing Focal Point as proposed by the Working Group on Article 8
1.2.2	Assist and facilitate international cooperation among Parties to the Protocol on priority areas identified by the MOP <i>To facilitate at least 10 international cooperation projects upon request for Parties to exchange knowledge and expertise</i>	US\$ 20 000 per project. Costs might include interpretation, travel support, per diem, venue and other local costs. Depending on the request and needs expressed, the cost may vary.
1.2.3	Establish and operate an online platform with relevant databases requested by the MOP to facilitate the dissemination and exchange of information <i>Creating an online platform to gather all databases related to the Protocol to facilitate the exchange of information</i>	Information technology costs related to the establishment and maintenance of the platform
1.2.4	Develop and disseminate technical publications on Protocol-specific topics on priority areas identified by the MOP <i>Commissioning technical reports on areas that require special attention</i>	US\$ 10 000 per publication. Costs related to hiring experts and consultants and for editing and designing the publications.

*Unless otherwise noted, the budget proposed, when expenditures are foreseen to be covered by EB, is included for purposes of creating “budget space” and does not necessarily reflect the exact total amount that will be spent.

Total activity costs for Goal 1	US\$ 462 000
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2	Goal 2. Accelerating implementation and promoting ratification of the Protocol	
	Details of activity	Budget rationale*
2.1	Objective 2.1. Promote multisectoral collaborative efforts for implementation and ratification of the Protocol	
2.1.1	<p>Organize multisectoral workshops to address specific challenges in the implementation of the Protocol according to priority areas identified by the MOP</p> <p><i>Workshops with the participation of at least 60 Parties to the WHO FCTC, both Parties and non-Parties to the Protocol, to support Parties with identifying and addressing implementation challenges and to enhance multisectoral cooperation for successful implementation of the Protocol</i></p>	<p>Costs related to travel support, per diem, interpretation, venue and other local costs. Four workshops planned with two to three representatives from different sectors of the government per Party.</p>
2.1.2	<p>Hold high-level meetings of the Head of the Secretariat with senior officials to build political support for the implementation of the Protocol on priority areas identified by the MOP and further ratification/accession</p> <p><i>Political-level meeting to raise awareness about the Protocol and promote further ratification</i></p>	<p>Costs related to travel of the Head of the Secretariat and interpretation for bilateral meetings and organization of other outreach activities, when required</p>
2.2	Objective 2.2. Provide technical assistance to Parties upon request	
2.2.1	<p>Assist Parties to assess their needs with regard to the implementation of the Protocol and develop country-focused action plans</p> <p><i>At least 10 Parties supported upon request to assess their needs, develop an action plan and progress on immediate priorities</i></p>	<p>US\$ 40 000 per project. Costs might include hiring experts, interpretation, travel support, per diem, venue and other local costs. Depending on the request and needs expressed, the cost may vary.</p>
2.2.2	<p>Assist low- and middle-income countries (LMICs) and least-developed countries (LDCs) in the implementation of national/regional tracking and tracing systems, including through workshops and country missions as required</p> <p><i>At least 10 Parties supported on the implementation of tobacco tracking and tracing systems</i></p>	<p>US\$ 20 000 per project. Costs might include hiring experts, interpretation, travel support, per diem, venue and other local costs. Depending on the request and needs expressed, the cost may vary.</p>

2	Goal 2. Accelerating implementation and promoting ratification of the Protocol	
	Details of activity	Budget rationale*
2.3	Objective 2.3. Raise awareness about the importance of the Protocol	
2.3.1	Develop social communication materials on the importance of the Protocol, as part of the Secretariat’s communications strategy, including the celebration of the Fifth Anniversary of the Protocol <i>Developing and implementing a social communications plan</i>	Costs include contracting services from communications agencies, hiring booths at conferences and other events, and travel costs of special guests and speakers for anniversary celebrations and other events.

*Unless otherwise noted, the budget proposed, when expenditures are foreseen to be covered by EB, is included for purposes of creating “budget space” and does not necessarily reflect the exact total amount that will be spent

Total activity costs for Goal 2	US\$ 1 100 000
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3	Goal 3. Building alliances with relevant intergovernmental organizations (IGOs) and nongovernmental organizations (NGOs)	
	Details of activity	Budget rationale*
3.1	Objective 3.1. Promote the importance of becoming observers to the MOP with relevant IGOs and NGOs	
3.1.1	Engage with relevant IGOs and NGOs and invite them to become observers to the MOP <i>Meetings with representatives of IGOs such as the World Customs Organization, the United Nations Office on Drugs and Crime, the Organisation for Economic Co-operation and Development, the World Bank, and other important international and regional bodies and international NGOs to make the case for supporting the implementation of the Protocol</i>	Costs related to Convention Secretariat staff travel to participate in bilateral meetings.
3.2	Objective 3.2. Enhance cooperation and communication with relevant IGOs and NGOs	
3.2.1	Assess and disseminate information on the contributions of the implementation of the Protocol to the achievement of the Sustainable Development Goals (SDGs) <i>Developing a paper to document how the implementation of the Protocol interacts with all the SDG targets</i>	Costs related to hiring experts and consultants and for editing and designing the publication and other materials

3	Goal 3. Building alliances with relevant intergovernmental organizations (IGOs) and nongovernmental organizations (NGOs)	
	Details of activity	Budget rationale*
3.2.2	Participate and organize side events during relevant meetings of United Nations agencies <i>Identifying and participating in major global and regional meetings organized by IGOs, as well as important governing body meetings, to make case for the Protocol</i>	Costs related to Convention Secretariat staff travel to attend relevant meetings of United Nations agencies
3.2.3	Organize an annual meeting with relevant NGOs that are observers to the MOP to discuss plans of cooperation <i>Meeting with NGOs that have been granted observer status by MOP to enhance coordination</i>	Costs related to interpretation, venue and other local costs
3.2.4	Co-organize or invite relevant IGOs and NGOs to contribute to workshops or awareness-raising events <i>Mobilizing resources to support effective implementation of the Protocol by inviting competent IGOs and NGOs to collaborate with the work of the Convention Secretariat in their areas of expertise</i>	Costs related to Convention Secretariat staff travel to attend workshops or events co-organized with relevant IGOs and NGOs

*Unless otherwise noted, the budget proposed, when expenditures are foreseen to be covered by EB, is included for purposes of creating “budget space” and does not necessarily reflect the exact total amount that will be spent

Total activity costs for Goal 3	US\$ 54 000
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4	Goal 4. Ensuring that the governing and subsidiary bodies can take the necessary decisions	
	Details of activity	Budget rationale*
4.1	Objective 4.1. Provide for the optimal operation of the MOP, the Bureau of the MOP and working groups or expert groups established by MOP	
4.1.1	<p>Organize the Third Session of the Meeting of the Parties (MOP3)</p> <p><i>The overall cost estimate is based on convening MOP3 for three days. If the MOP decides to extend the duration of MOP3, costs will need to be adjusted. The cost of preparing MOP documentation (translation, editing, printing and dispatch) is based on an estimated maximum of four pages per document and the measures to conduct a PaperSmart MOP.</i></p>	<p>The budget for MOP3 includes:</p> <ul style="list-style-type: none"> • travel support (air tickets and per diem) for one delegate from each of the LDC Parties to the Protocol; • travel support (air ticket only) for one delegate from each of the LMIC Parties to the Protocol, in line with the current travel policy for the Conference of the Parties (COP) to the WHO FCTC adopted by Sixth Session of the COP; • per diem for one delegate from LMIC Parties if EB are available; • overall logistics including interpretation, security, rental services, salaries of short-term conference staff and overtime, document editing and translation; • official records printing and dispatch (pre-, in- and post-session); • development of a software application to allow a PaperSmart meeting with a PaperSmart portal; • rental of the tablets for delegates; • communications; and • any unforeseen expenses.
4.1.2	<p>Organize pre-MOP regional meetings</p> <p><i>Six pre-MOP regional meetings to be held back to back with pre-COP WHO regional meetings to improve the preparation of Parties for the discussions of the themes and documents that will be presented at MOP3</i></p>	<p>Costs related to travel support, per diem, interpretation, venue and other local costs</p>
4.1.3	<p>Prepare and support the work of the Bureau, and convene meetings, including through videoconferences and teleconferences</p> <p><i>Based on the needs of the Bureau, if more than two languages are needed, the budget will be adjusted accordingly</i></p>	<p>The budget includes travel, per diem, interpretation (two languages), editing, logistics and printing</p>

4	Goal 4. Ensuring that the governing and subsidiary bodies can take the necessary decisions	
	Details of activity	Budget rationale*
4.1.4	<p>Make the necessary arrangements for the Working Group on the establishment of tracking and tracing systems, including the Global Information-sharing Focal Point (Article 8.1) and unique identification markings for cigarette packets and packages (Article 8.3)</p> <p><i>Pending decision from the Second Session of the Meeting of the Parties (MOP2) on the continuation of the Working Group</i></p>	<p>Budget planned for three meetings. Costs include travel support (air ticket and per diem) for delegates from LDC Parties, travel support (air ticket only) for delegates from LMIC Parties, interpretation (three languages on average), room rental, documentation, and logistics.</p>

*Unless otherwise noted, the budget proposed, when expenditures are foreseen to be covered by EB, is included for purposes of creating “budget space” and does not necessarily reflect the exact total amount that will be spent

Total activity costs for Goal 4	US\$ 1 110 085
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5	Goal 5. Ensuring the capacity and ability of the Convention Secretariat to perform its duties	
	Details of activity	Budget rationale*
5.1	Objective 5.1. Provide adequate staff and financial management	
5.1.1	Organize an annual strategic planning and team-building retreat for the Convention Secretariat	Costs related to renting a venue and hiring facilitators for conducting the annual retreat
5.1.2	Provide general administration and management to the Convention Secretariat	Costs include telecommunication costs, purchase of information technology devices and software, editing, translation, mailing costs and other miscellaneous operating costs, as required
5.2	Objective 5.2. Mobilize resources to support the implementation of the Protocol	
5.2.1	Follow up on the collection of Assessed Contributions <i>Producing communications to Parties</i>	Costs related to editing and translation of documents to be sent to Parties and interpretation for bilateral meetings, when needed
5.2.2	Implement a fundraising plan <i>Reaching out to potential donors to raise necessary funds to implement the workplan</i>	Costs related to translation, editing and design of documents to be sent to potential donors, and travel and interpretation for bilateral meetings, when needed

*Unless otherwise noted, the budget proposed, when expenditures are foreseen to be covered by EB, is included for purposes of creating “budget space” and does not necessarily reflect the exact total amount that will be spent.

Total activity costs for Goal 5	US\$ 45 000
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STAFF

9. The table below shows the summary of the proposed staff positions to be funded with Protocol AC and EB by type of the position and source of funding:

Staff distribution and costs

Level	D2	P5	P4	P3	P2	G4	Cost US\$
AC	1 (30%) [∞]	4 (30%) [∞]	1 (100%)	2 (100%) 1 (50%)	1 (100%) 1 (50%) [∞]	1 (100%)	3 581 445
EB	–	–	–	1 (100%) 1 (50%)	3 (100%)	–	1 827 000
Total	1	4	1	3	5	1	5 408 445

[∞] Note: of the amount from the Conference of the Parties budget (see Paragraphs 14, 15, and 16).

10. The Convention Secretariat considers that the cost of the positions of staff members who are essential for conducting basic MOP mandates and statutory obligations of the Protocol should be secured and covered by AC since their continuation cannot be put at risk. All posts are filled following the World Health Organization (WHO) selection process.

11. On the other hand, for other activities that will be implemented under donor agreements and therefore funded by EB, temporary appointments are a more suitable contract modality. These positions have a maximum duration of 24 months, and a break in service of a minimum of 31 days must be observed before the incumbent could be rehired – if still needed – for another 24 months.

12. The staff costs presented in the draft budget are based on projected WHO standard salary costs (post cost averages) for 2020–2021. These costs include net base salary, post adjustment, employee benefits and occupancy costs.

13. The cost of the proposed staff posts costs to be covered with Protocol AC is US\$ 3 581 445 for the biennium 2022–2023.

14. Please note that since Article 34 of the Protocol stipulates that the Convention Secretariat shall also serve as the Secretariat of the Protocol, the costs of some posts are co-funded between the Conference of the Parties (COP) and the MOP workplans and budgets, including of the Head of the Secretariat and senior management positions, as explained in the following table.

Number of positions and level	Position/team	Percentage to be paid by Protocol AC
(1) D2	Head of the Secretariat	30% (*)
(4) P5	3 Team Leads and 1 Senior Legal Adviser	30% (*)
(1) P4	Programme Manager	100%
(3) P3	Technical Officer (Customs), Information Management Officer and Technical Officer (Assistance to Parties)	2 at 100% 1 at 50%
(1) P2	Administrative Officer	100%
(1) P2	Communication and Web Officer	50%
(1) G4	Assistant	100%

(*) Four of those positions previously were paid 80% by the COP and 20% by the MOP, but as the Protocol Parties have reached one third of the number of Convention Parties, we are proposing to change these percentages to 70%/30%.

15. It is further proposed to consider the following staff positions, under EB, as shown in the table below, with a view to undertaking the relevant proposed activities in the workplan, if adequate EB are raised. The additional staffing costs might reach US\$ 1 827 000, depending on resource mobilization and the pace of implementation.

Number of positions and level	Position/team	Percentage to be paid by Protocol AC
(2) P3	Technical Officers (Assistance to Parties)	1 at 100% 1 at 50%
(3) P2	External Relations Officer, Technical Officer (International Cooperation) and Technical Officer (Reporting and Knowledge Management)	100%

16. The proposed total of 28 staff members is still a reasonably small number when compared with other secretariats for a Convention Secretariat that serves two treaties – one with 63 Parties (Protocol) and the other with 182 Parties (WHO FCTC), as of 15 June 2021. The staff plan does not include possible short-term assignments that would be based on actual needs and resources available. Please see in the table below the list of all positions proposed both in the COP and MOP workplans, and the sources of funding.

Level	Position	Percentage WHO FCTC AC	Percentage WHO FCTC EB	Percentage Protocol AC	Percentage Protocol EB
D2	Head of the Secretariat	70%		30%	
P5	Senior Legal Adviser	70%		30%	
P5	Team Lead (Governance)	70%		30%	
P5	Team Lead (Knowledge Management)	70%		30%	
P5	Team Lead (Assistance to Parties)	50%	20%	30%	
P4	Programme Manager (WHO FCTC)	100%			
P4	Programme Manager (Protocol)		100%		
P4	Treaty Officer	100%			

P3	Administrative Officer	100%			
P3	External Relations Officer	100%			
P3	Technical Officer (Knowledge Management)	50%	50%		
P3	Technical Officer (Assistance to Parties)		100%		
P3	Technical Officer (Assistance to Parties)		100%		
P3	Technical Officer (Assistance to Parties)			50%	50%
P3	Technical Officer (Assistance to Parties)				100%
P3	Technical Officer (Customs)			100%	
P3	Information Management Officer			100%	
P2	Administrative Officer			100%	
P2	Communications Officer	50%		50%	
P2	Technical Officer (Knowledge Management)				100%
P2	Technical Officer (International Cooperation)				100%
P2	External Relations Officer				100%
G6	Assistant to Executive Director	100%			
G5	Assistant to Team (Governance)	100%			
G5	Assistant to Team (International Cooperation)	100%			
G5	Assistant to Team (Knowledge Management)	100%			
G5	Assistant to Team (Assistance to Parties)		100%		
G4	Assistant to Team (Protocol)			100%	

17. Annex 2 of document FCTC/MOP/2/11 presents a detailed breakdown of proposed staff costs.

RECOVERY COSTS

18. The Convention Secretariat, as an entity hosted by WHO, is charged recovery costs through a new methodology introduced in 2016 to ensure full cost recovery and improve the transparency of the approach. The calculation of the amount to be charged to the Convention Secretariat is based on WHO's management and administration costs and the number of staff members at the Convention Secretariat, which can fluctuate from one biennium to another.

19. The payment of this amount comes initially from the automatic deduction of Programme Support Costs (PSC) that WHO applies to the expenditures from EB received by the Convention Secretariat. When the amount automatically deducted from EB is not enough to cover the cost recovery in a biennium, WHO will deduct the difference from the Protocol and WHO FCTC AC proportionally to their total amounts. In the unlikely event that the amount deducted from EB is greater than what is needed to cover the recovery costs, the difference would be returned to the Convention Secretariat.

20. Therefore, the exact amount that potentially will need to come from AC to cover recovery costs depends to the amount of EB that the Convention Secretariat is able to raise and expend. For planning

purposes, the standard rate of 13% is applied to both AC and EB to ensure that the Convention Secretariat has enough funds set aside to pay to WHO the recovery costs required of all hosted entities.

21. Until 2020, WHO was retaining 13% of the WHO FCTC AC to cover this potential difference and was only releasing the difference at the end of the biennium. With the signing of the Hosting Agreement on 30 October 2019, it was established that WHO would no longer retain the 13% from AC, but the Convention Secretariat would still need to set that amount aside to cover potential differences between the PSC and the cost recovery. The remainder of the 13% set aside from the AC, if any, will be part of the balance for the next biennium.

TOTAL BUDGET

22. AC is envisaged at US\$ 4 999 719 for 2022–2023, including recovery costs. This represents no increase when compared to the 2020–2021 AC, which was adopted by the First Session of the Meeting of the Parties (MOP1). AC are essential to ensure statutory functions and core activities of the workplan, as well as the salaries of core staff in order to be able to deliver those core functions at the expected level of excellence.

23. EB, including recovery costs, are envisaged at US\$ 4 243 150. EB are required for activities not covered by AC, which include an increase in direct assistance to Parties, as well as proposed additional staffing to implement such activities. If EB are not made available, most of the proposed activities in support of treaty implementation will need to be reduced or abandoned.

24. The total budget is proposed at US\$ 9 242 869, distributed between AC and EB.

25. A comparison between the 2020–2021 Workplan and Budget approved by MOP1 and the proposed 2022–2023 Workplan and Budget is presented in the Annex.

ANNEX

**COMPARISON BETWEEN THE WORKPLAN AND BUDGET 2020–2021
AND THE PROPOSED WORKPLAN AND BUDGET WPB 2022–2023**

1. The total proposed budget for 2022–2023 is US\$ 9 242 869, which represents an overall increase of 25% when compared to the Workplan and Budget for 2020–2021 adopted by the First Session of the Meeting of the Parties (MOP1). This increase is only related to a proposed increase in Extra-budgetary Contributions (EB). As previously stated, there is no proposed increase in Assessed Contributions (AC).

**Comparison of budget lines between adopted Workplan and Budget 2020–2021
and proposed Workplan and Budget 2022–2023 (US\$)**

	Covered by AC			Covered by EB			Total		
	2020–2021	2022–2023	Variation (%)	2020–2021	2022–2023	Variation (%)	2020–2021	2022–2023	Variation (%)
Activity costs	1 475 730	843 085	-43	1 048 900	1 928 000	84	2 524 630	2 771 085	10
Staff costs	2 948 800	3 581 445	21	1 050 000	1 827 000	74	3 998 800	5 408 445	35
Total direct costs	4 424 530	4 424 530	0	2 098 900	3 755 000	79	6 523 430	8 179 530	25
Recovery costs (13%)	575 189	575 189	0	272 857	488 150	79	848 046	1 063 339	25
Grand total	4 999 719	4 999 719	0	2 371 757	4 243 150	79	7 371 476	9 242 869	25

ASSESSED CONTRIBUTIONS

2. A total of US\$ 4 999 719 would be covered in both biennia by AC, which represents a zero-nominal growth budget for AC.

3. AC would mainly be allocated to cover the organization of the Third Session of the Meeting of the Parties (MOP3), Bureau meetings and core staff positions. A smaller portion of AC has also been allocated to fund the establishment of an interim solution for the Global Information-sharing Focal Point, meetings and other costs of the working groups established by the MOP; reporting and the exchange of information; coordination with international and regional intergovernmental organizations; and general administration and management of the Convention Secretariat in relation to the Protocol.

4. For **Activity costs**, the proposed budget represents a 43% decrease in activity costs covered by AC. This is mainly because the Convention Secretariat has reviewed all actual expenditures related to the organization of MOP1 and previous sessions of the Conference of the Parties (COP) to the WHO Framework Convention on Tobacco Control (WHO FCTC) and estimated that the smaller budget proposed for the organization of MOP3 included in the 2022–2023 Workplan and Budget is a closer indication of the actual needs.

5. For **Staff costs**, the proposed budget represents a 21% increase in staff costs to be covered by AC, but without increasing the total amount of AC. This is related to increases in WHO staff costs and some changes explained below.

6. As the number of Parties to the Protocol has now reached one third of the number of the Parties to the WHO FCTC, the Convention Secretariat is proposing that Protocol AC cover 30% of the costs of senior management positions at the Convention Secretariat.

7. Additionally, it is proposed that the position of a Communication and Web Officer at the P2 level that was approved under EB in the WHO FCTC 2020–2021 Workplan and Budget is established as a core position to be jointly funded equally by both Protocol and WHO FCTC AC, since this position is fundamental to raise the visibility of both treaties and to ensure coordination, as requested in decision FCTC/MOP1(11).

EXTRA-BUDGETARY CONTRIBUTIONS

8. A total of US\$ 4 243 150 would be covered by EB, which would represent a 79% increase.

9. With regard to the **Activity costs** to be covered by EB, the proposed 2022–2023 Workplan and Budget represents an increase of 84% when compared to the 2020–2021 Workplan and Budget, mostly due to the activities aimed at supporting the implementation of the Protocol.

10. With regard to **Staff costs** subject to the availability of EB, the proposed 2022–2023 Workplan and Budget represents a 74% increase. This is related to the regular increase in staff costs and the addition of the costs of one P3 staff at 100% and one at 50% to be covered by Protocol EB and for the coordination of the provision of technical assistance to Parties to implement the Protocol.

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