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**Sixth meeting of the Bureau of the
Global Framework on Chemicals –
For a Planet Free of Harm from Chemicals and Waste**
Thursday, 30 January 2025, 14:00 – 16:30 (CET)

Item 4 (a) of the provisional agenda
OEWG preparations: Workflow of the meeting

Financial considerations regarding the GFC Secretariat and OEWG

Note by the secretariat

1. At the 5th session of the International Conference on Chemicals Management (ICCM5) that took place in Bonn in September 2023, a document including a workplan and budget for the period 2024-2026 was included.
2. Some differences between the estimated budget at ICCM5 and more recent estimations especially for staffing and the cost of the OEWG have arisen.
3. The purpose of this document is to explain some of these differences.

Differences between the estimated budget at ICCM5 and the current estimations

1. **Staffing Costs Increase:** the previous estimate presented at ICCM 5 was made in April 2023. Since then, there has been an increase in salaries due to inflation which has contributed to higher staffing costs. Additionally, the first year of the incoming staff is often more expensive because it includes an international package, which was initially planned for 2024. As we recalculate the costs now, and since the staff will be arriving in the upcoming months, the cost is much more accurate and reflective of the current situation.
2. **Higher Operating Costs:** operating costs, including office space and general overheads, have also increased significantly. The inflation rate over the last 20 months has contributed to higher costs for utilities, office supplies, and facility maintenance.
3. **Increased Travel and Accommodation Costs:** as the international travel and accommodation costs have risen in recent months, the projected costs for travel, per diems (DSA), and other logistical elements have increased. This applies both to GFC secretariat staff members and conference participants.
4. **OEWG Costs (Nairobi Location)¹:** the initial estimate for the OEWG was based on an average location. The actual hosting of an event in Nairobi, however, where costs for accommodation, venue rental, and local transportation differ from the original estimates. Specifically, the real DSA for Nairobi was factored in, and the cost of secretariat staff traveling from Geneva to Nairobi has also been included. This location difference causes a shift in the overall budget.
5. **Exchange Rate Fluctuations:** additional increases in costs due to the fluctuation of exchange rates. Fluctuations between the local currencies (CHF, EUR, USD) and the Kenyan Shilling have led to increased costs for services and materials in Nairobi.
6. **Inflation and Global Economic Trends:** over the last 20 months, there has been a significant global increase in costs due to inflation. This has impacted transportation (flights, local transit), supplies and external services (catering, security). The overall inflation rate in the period has been approximately 20%, which directly affects the budget calculations.

These factors combined have contributed to the increase in estimated staffing costs for ICCM5 as well as the higher costs associated with the OEWG conference.

¹ This may be subject to change