

Agenda item 12.6

Financial arrangements for MedWet and other regional initiatives, review of 2006 and approval of arrangements for 2007 (Resolution IX.7)

Action requested: The Standing Committee is invited to consider and advise on issues raised in the report from the MedWet Initiative, agree and approve arrangements for the allocation of core budget funding to regional initiatives for 2007 and 2008, and confirm the procedure for the intersessional submission of any further regional initiatives for its consideration.

1. This paper addresses several aspects of the implementation of Resolution IX.7 concerning the role and responsibilities of the Standing Committee in approving, allocating resources to, and reviewing implementation of, regional initiatives approved by COP9 as operating within the framework of the Convention, including its role in oversight of the operations and finances of the Mediterranean Wetland Initiative (MedWet), which operates under the *aegis* of the Convention.

MedWet Initiative

2. The following paragraphs provide an update from the MedWet Coordination Unit on financial and other matters reported to COP9 in COP9 DOC. 8, particularly in relation to issues concerning cashflow in relation to late or non-payments of agreed contributions by the host country and Contracting Parties in the region.
3. Although progress with the implementation of its work programme and the development of further projects and activities through the MedWet Coordination Unit has continued well, including the development of the Pan-Mediterranean Wetlands Inventory and the lead role of MedWet in the development of guidance on water use in agriculture and its effects on wetlands, the cashflow problems and consequent financial issues raised in COP9 DOC. 8 have persisted.
4. As discussed at the 7th meeting of the Mediterranean Wetlands Committee (MedWet/Com) in Kampala in November 2005, the MedWet Coordination Unit has faced serious cashflow problems in both 2004 and 2005. This has arisen as a consequence of the very delayed payments (and in some cases non-payment) of annual dues, as approved by the COP, by the host country and a number of Contracting Parties in the region, in some cases only reaching the Unit close to the end, rather than at the start, of the year. To date, for 2006 only CHF 36,303 (14.2%) of the country dues (excluding the host country contribution for 2006, which is also awaited) have been received. In addition CHF 18,324 is still awaited from countries for dues owing for 2003-2005.

5. As the MedWet Initiative does not yet have a reserve fund to cover such shortfalls in cashflow for the first part of each year, this leads to delays of payments, including the salaries of staff and monies owed to suppliers, and delays to the implementation of value-added projects since matching funds cannot be disbursed in a timely manner. This recurrent cashflow problem is already again arising in 2006.
6. The problem could be resolved through the timely payment of annual dues by countries, but the immediate prospect of this occurring seems regrettably small. Consequently, alternative solutions are needed in at least the short term. The option of securing funding support in the form of a repayable loan to cover periods of cashflow shortfall is currently being explored by the MedWet Coordination Unit with potential donors, and an update will be provided at the Standing Committee meeting. However, long-term solutions need also to be considered by the MedWet countries.
7. Discussions were initiated in the sidelines of COP9 amongst Mediterranean Parties and others concerning the structure and content of a document setting out revised and updated MedWet Terms of Reference, covering the role and functioning of the Coordination Unit and the other processes and partners in the MedWet Initiative. Following further discussions, a meeting of the Mediterranean Wetlands Committee (MedWet/Com) has been called for June 2006, which will be hosted by Albania. The meeting will seek to agree the MedWet Terms of Reference, which will subsequently need to be transmitted to the Standing Committee for their consideration and approval.

Review of 2006 core budget allocations for regional initiatives

8. The following fundings were approved by COP9 Resolution IX.7 for core budget allocations for 2006:

| | Swiss Francs (for year 2006) |
|--|---------------------------------|
| MedWet Initiative | 26,000 |
| West African Coastal Zone Wetlands Network (WacoWet) | 60,000 |
| Ramsar Regional Center for Training and Research on Wetlands in Western and Central Asia in Iran (RRC-CWA) | 20,000 |
| Regional Strategy for the Conservation and Wise Use of High Andean Wetlands | 20,000 |
| Ramsar Regional Center for Training and Research on Wetlands in the Western Hemisphere (CREHO) | 80,000 |
| TOTAL | 206,000 |

9. Since a budget had not been earlier provided to the Standing Committee prior to COP9 for its full consideration and recommendations to COP on regional initiatives seeking approval as being fully in line with the terms of Resolution VIII.30, it was indicated that the budget allocation for the Regional Strategy for the Conservation and Wise Use of High Andean Wetlands should be subject to the provision to the 34th meeting of the Standing Committee of a satisfactory budget. This budget, to cover the costs of an inception workshop for the elaboration of the initiative's Financial Plan and project profiles, is provided in Annex I.

10. Contracts have been let by the Secretariat for the transfer of the approved funds for the other regional initiatives, and that for the High Andean initiative will be let immediately following Standing Committee budget approval.
11. However, it is clearly too early to expect these initiatives, and others which were approved by COP9 but which did not request core funding from the Convention for their operation, to report to Standing Committee on their progress in implementation since COP9. Suggestions for such reporting processes are made below.

Approval of arrangements for core budget allocations to regional initiatives for 2007

12. Resolution IX.7 paragraph 9 agreed that the levels of financial support for 2007 and 2008 will be determined by the Standing Committee based on recommendations made by the Subgroup on Finance. Resolution IX.7 paragraph 13 also authorized the Standing Committee, within the global allocation for the triennium of the Convention core budget line "Support to Regional Initiatives", to reallocate funding, if considered appropriate, depending on shifts in priorities and needs in response to requests from initiatives.
13. The total core budget line allocations for regional initiatives (Resolution IX.12) for these years are as follows:

| | 2007 | 2008 |
|---|----------------|----------------|
| | (Swiss | (Swiss |
| | francs) | francs) |
| 3. SUPPORT TO REGIONAL INITIATIVES | | |
| a) Regional networks (cooperation) | 102,382 | 179,190 |
| b) Regional centers (training & capacity-building) | 100,000 | 100,000 |
| Sub-total | 202,382 | 279,190 |

14. Of these sums, Resolution IX.7 approved allocations to the MedWet Initiative of CHF 15,499 for 2007 and CHF 10,849 for 2008.
15. It is not clear from all the budget tables submitted by the proponents of the regional initiatives and provided in COP9 DOC. 21 what funds (if any) each initiative is anticipating requesting for 2007 and 2008.
16. It is therefore suggested that the following procedure be established for Standing Committee approval of 2007 and 2008 allocations:
 - i) That at its 34th meeting the Standing Committee agree to approve, in principle, an allocation of 2007 core funds to each of those regional initiatives receiving such funds in 2006, with amounts to be allocated, if needed by each initiative, similar to those in the 2006 allocations.
 - ii) That the final approval of 2007 allocations be subject to:
 - a) confirmation or otherwise by each regional initiative that they are requesting core funding for 2007, and the amount requested; and
 - b) receipt by the Secretariat not later than 15 January 2007, and transmitted to the Subgroup on Finance, of a satisfactory financial report on the use of the

2006 funds allocated. This would be in line with the terms of paragraph 14 of Resolution IX.7.

17. Depending on the dates set for the 35th meeting of the Standing Committee, the approvals could be made at that meeting, if it takes place in early 2007, or by electronic circulation to the Subgroup on Finance and then Standing Committee in early 2007.
18. It would be helpful also to establish at this stage a similar procedure for the 2008 allocations.

Submission of further regional initiative proposals

19. Resolution IX.7 authorised the Standing Committee to approve, between meetings of the Conference of the Contracting Parties, qualifying initiatives which have zero financial implications for the Convention's core budget.
20. The Secretariat has not received submission of any proposals for new regional initiatives for Standing Committee consideration.
21. Nevertheless, it would be helpful for anyone considering submitting such an initiative to the Standing Committee for the Committee to affirm that a submission should follow the procedures, and use the formats, provided to Parties prior to COP9.

Annex 1

ESTIMATED BUDGET FOR THE HIGH ANDEAN WETLANDS REGIONAL STRATEGY INITIATIVE

Countries: Argentina, Bolivia, Colombia, Chile, Costa Rica, Ecuador, Peru and Venezuela

| ITEM | Ramsar (Sfr.) | Total Swiss francs - counterpart contribution | Total Sfr. |
|---|--------------------------|--|-------------------|
| Workshop for the elaboration of the Financial Plan and project profiles | | | |
| Air fares Country of origin - Chile - Country of origin (10 People) | 11000 | | 11000 |
| Accommodation (15 people x 5 days) | 4680 | | 4680 |
| Food (15 people x 5 days) | 1560 | | 1560 |
| Consultancy Preparation of Financial Plan | 780 | | 780 |
| Materials Use of computer, mail, toner... | | 500 | 500 |
| Publication | 2000 | 3000 | 5000 |
| TOTAL EXPENSES Sfr. | 20,020 | 3,500 | 23,520 |