

Agenda item 8.2

Current status of the Reserve Fund

Action requested: The Standing Committee is invited to note the contents of this report and consider the Secretary General's suggestions about the use of the Reserve Fund excess.

1. The Reserve Fund (established by Resolution VI.17, 1996) comprises excess/deficit funds from each year's core budget to be used to meet unforeseen and unavoidable expenditures. The resources kept in the Reserve Fund are limited to a maximum of 1/12th of the core budget of the current fiscal year. The Fund is to be administered by the Secretary General under the guidance of the Subgroup on Finance as established by the Standing Committee.
2. In Resolution X.2 (2008), para 21, the Contracting Parties requested the Secretary General to report to the Standing Committee on the status of the Reserve Fund and consult with the Standing Committee regarding the use of any excess resources of the Fund.
3. At 31 December 2007 the Fund stood at CHF 485,000, CHF 131,000 above the maximum. At 31 December 2008 the Reserve Fund per the final draft of the audited financial statements for 2008 was 423,000 but should be no greater than 1/12th of CHF 4,365,000, i.e. CHF 364,000. The Secretary General has requested that CHF 59,000 of the Reserve be released and recommends allocation as follows:
 - First, to cover the deficit of CHF 34,000 on the COP10 project.
 - Secondly, to establish a project to provide a CHF 15,000 to finance ad hoc legal work that the Secretariat urgently needs to support its core and project activities.
 - Thirdly, to provide CHF 10,000 to top up the fund for Ramsar Advisory Missions.

RESERVE FUND		STATEMENT OF ACCOUNT AT 31.12.2008
(in Swiss Francs)		
	Year	Amount
		TOTAL
Carry forward from 2000		397,181
2001 Adjustments to the Fund		
Annual contribution	1993	119
Deficit from 2001		(16,485)
		380,816
2002 Adjustments to the Fund		
Deficit from 2002		(168,660)
		212,156
2003 Adjustments to the Fund		
Deficit from 2003		(193,921)
		18,236
2004 Adjustments to the Fund		
Deficit from 2004		(23,635)
		(5,400)
2005 Adjustments to the Fund		
Surplus from 2005		105,619
		100,220
2006 Adjustments to the Fund		
Surplus from 2006		214,012
		314,351
2007 Adjustments to the Fund		
Surplus from 2007		170,398
		484,749
2008 Adjustments to the Fund		
Deficit from 2008		(61,673)
Transfer to projects		(59,318)
		363,758
TOTAL to 31 Dec 2008		363,758

The Reserve Fund is comprises excess/deficit funds from each year's budget. It also receives annual contributions prior to 1994.

Note:

Resolution VI.17 of COP6 established that "the resources kept in the Fund should not be higher

at any time than one-twelfth of the core budget of the current fiscal year”. One-twelfth of the 2008 budget approved by COP9 is CHF 363,758

For an excess:

At 31.12.08 there was an excess in the Reserve Fund. The Secretary General has decided to release CHF 100,000. He would like to propose that this amount is used as follows:

COP10	34,000
Legal fund	15,318
RAM support	10,000