

CONVENTION ON WETLANDS (Ramsar, Iran, 1971)
36th Meeting of the Standing Committee
Gland, Switzerland, 27-29 February 2008

SC36: Report of the Subgroup on Finance - DRAFT

2007 Budget review and update (DOC. SC36/SG Finance-01)

The Subgroup received the report of the Secretary General that the 2007 expenditure, based on the provisional financial accounts in DOC. SC36/SG Finance-01, indicate that the Convention is in good financial health, noting that further information on the 2007 final accounts will be provided to SC37.

Recommendation:

The Subgroup on Finance recommends that the Standing Committee notes the provisional 2007 financial accounts, pending final audited accounts to be presented to SC37.

2008 core budget (DOC. SC36/SG Finance-02)

The Subgroup considered the 2008 core budget allocations, which overall had been approved by COP9 decision, but which are now presented following earlier Standing Committee requests as structured in terms of allocation to different output-orientated activities.

In response to a request for clarification as to why SC Subgroup meetings do not have simultaneous interpretation, the Secretariat outlined that whilst participation by observer Parties had in recent years increased substantially, that the allocation for such interpretation in the 2006-2008 core budget was currently sufficient only for the three days of SC plenary. If the Subgroup and SC wished to have such interpretation available for its various Subgroup meetings this would need to be addressed in the core budget proposals for 2009-2011 to be submitted to COP10.

Recommendation:

The Subgroup on Finance recommends that the Standing Committee approves the 2008 core budget allocations as presented in DOC. SC36/SG Finance-02.

Report on Regional Initiatives (DOC.SC36-23)

The Subgroup Chair noted that the process and approach for future consideration of regional initiative proposals had been considered by the Management Working Group, and that its report includes proposals on these matters, which will be considered by the Standing Committee in plenary session.

Concerning core budget allocations for 2008 for COP-approved regional initiatives, the Subgroup noted that the requests for such funding (CHF 390,949) considerably exceeded the available core budget 2008 allocation (CHF 279,190). The Subgroup established a 'working group' to develop proposals for SC plenary consideration for equitable allocations within the core budget allocation available.

The working group (Benin, El Salvador, Ecuador, Iraq, Turkey, Secretariat) reports as follows:

- In terms of general guiding principles for recommending allocations, guidance for this funding allocation is provided in Resolution IX.7, within which it was agreed that Ramsar core budget support for the years 2007 and 2008 should be “at the levels indicated for 2006” (paragraph 9), to be “determined by the Standing Committee based on recommendations made by the Subgroup on Finance”.
- At the time of COP9, however, it was recognised that Ramsar funding support need to remain flexible and depends *inter alia* on progress with the operational establishment and the work of the approved initiatives. Resolution IX.12 increased the Ramsar budget line for regional initiatives for 2008, compared to 2007 and 2006, based on the assumption that some initiatives just about to start in 2006, would be operating at full strength in 2008 and therefore need increased Ramsar funding support during this last year of the triennium.
- In line with these principles, the working group agreed the following funding proposal for 2008 in the table below. It is important to note that this covers only the Ramsar core funding part of the finance budgets of the initiatives, and that initiatives have and/or are developing co-financing funding sources. Full financial details on such matters are provided in DOC. SC36-23.

Decision:	Res. IX.7 2006 <i>(All sums in CHF)</i>	2006 expenditure	SC35 2007 allocation	2007 expenditure	requested for 2008	<i>proposed allocation for 2008</i>
WacoWet	60,000	0	59,700	59,000	84,200	68,000
H. Andean	20,000	20,000	22,000	22,000	22,000	22,000
MedWet *	26,000	26,000	15,499	15,499	10,849	10,849
CREHO	80,000	80,000	80,000	80,000	80,000	80,000
Iran Cnt.	20,000	20,000	44,745	44,745	80,000	70,000
Pacific Isl.	**	0	40,438	8,400	113,900	28,341
Totals	206,000	146,000	262,382	230,344	390,949	279,190

* COP9 decided that MedWet funding support from the Ramsar core budget should decrease during the triennium 2006-2008 and specified the annual amounts in Annex II of Resolution IX.7. The annual amounts cannot be changed by SC decision.

** Res. IX.7 did not allocate specific funding to this initiative listed in its Annex I.A. Later, SC35 allocated funding for two projects under this initiative in 2007. Their implementation was, however, delayed (see DOC.SC36-23).

Recommendation:

The Subgroup on Finance recommends that the Standing Committee approves the following 2008 core budget allocations to regional initiatives as follows:

WacoWet	CHF 68,000
High Andean Initiative	CHF 22,000
MedWet	CHF 10,849
CREHO	CHF 80,000
Iran Centre	CHF 70,000
Pacific Islands Initiative	CHF 28,341

Financial implications of the legal status of the Secretariat (DOC. SC36-15) & of the future Secretariat Structure and staffing (DOC SC36-16)

The Subgroup Chair drew attention to the recommendations of the Management Working Group concerning these matters, notably that the proposals for future Secretariat staffing to meet the needs of the Convention should be recognized as appropriate, regardless of the extent to which they might or might not be funded through the core 2009-2011 budget.

The Subgroup noted that there would be financial implications of various aspects of the options for future Secretariat status, but that these were still being explored by the Secretariat and that further clarification was expected by the time of SC37.

Recommendation:

The Subgroup on Finance recommends that the Standing Committee notes that there are potential financial implications of these issues, and requests the Secretariat to provide updated information for consideration by SC37.

Small Grant Fund and related developments and future operations (DOC. SC36-24)

The Subgroup considered issues arising from the SGF shift to a portfolio approach (an “SGP”), and the proposals to develop a regionally-structured “Signature Initiative” approach to complement the SGP, in relation to the Management Working Group proposals concerning regional initiatives.

Recommendation:

The Subgroup on Finance recommends that the Standing Committee approves the proposals for the “SGP portfolio” and “Signature initiatives” proposals, and requests the Secretariat, working with the Subgroup Chair, to also explore further opportunities for complementary initiatives.

Budget proposals for the 2009-2011 triennium (DOC. SC36-22)

The Subgroup considered the two budget suggestions provided in Annexes I and II of DOC. SC36-22 (for a 4% budget growth and for a fully-funding approach to the the Secretary General’s proposal for future staffing (DOC. SC36-16).

Following discussions the Subgroup recommends the following:

Recommendation:

The Subgroup on Finance recommends that the Standing Committee:

- i. requests the Secretariat to prepare for SC37 consideration, in addition to refining the budget options in Annexes I and II, budget proposals for “zero nominal growth” and “zero real growth” budgets;
- ii. also requests the Secretariat to prepare for SC37 consideration the advice on the implications for the core budget and Secretariat operations and work delivery in relation to these zero-growth budget options, including *inter alia* the implications of what Secretariat work would not be delivered, and in relation to the proposed 2009-2011 Strategic Plan deliver and the Secretary General’s performance evaluation issues.

In making these recommendations, the Subgroup recognized that there would likely be significant implications concerning allocation of core budget resources to support regional initiatives from zero-growth 2009-2011 budgets, and in the light of such proposals the Standing Committee representatives should discuss informally how regional initiatives could continue to develop without access to core Convention budget financing support, and report to SC as appropriate.

Update on private sector partnerships

The Subgroup recognized the significance of the development of such partnerships but did not have time to further consider their implications.