

Subgroup on Finance and  
Agenda item 8

### Current status of the Reserve Fund

**Action requested:** The Standing Committee is invited to note the contents of this report.

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 1/12<sup>th</sup> 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. This was done at the 40<sup>th</sup> and 41<sup>st</sup> meetings of the Standing Committee (SC40 and SC41) and is updated here.
3. The 2010 movement in the Reserve Fund, as reflected in the final draft of the 2010 Financial Statements appended to DOC. SC42-4, is as follows:

CHF'000

Balance at 31 December 2009 per final accounts	413
Deficit for 2010	(61)
STRP Transfer requested by SC41 – see paragraph 4 below	(50)
Balance at 31 December 2010 per final draft accounts	<u>302</u>

The proposed balance at 31 December 2010 is 1/16<sup>th</sup> of the 2010 budget. This is below the ceiling of 1/12 of the annual budget. The Secretary General does not recommend any additional uses of this reserve for 2010 or 2011 at this stage.

4. At SC41 the Standing Committee approved the allocation of 50,000 Swiss francs from the Reserve Fund for the priority work of the STRP in 2010. This has been effected in 2010 and reflected above and in the Financial Statements accordingly.