

**Subgroup on Finance and
Agenda item 8**

Ramsar Secretariat Core and non-Core Activities 2011 and beyond

Action requested: The Standing Committee is invited to note this report on the budget and activities planned for the current year and advise the Secretary General as appropriate. The Committee is requested to approve small revisions to the 2011 Core budget, based upon the advice of the Subgroup on Finance. Particular attention should be given to the continued fall in voluntary contributions to the Convention and its unfunded activities mandated by the 2009-2015 Strategic Plan. Short and medium terms needs are considerable. The Standing Committee is also invited to consider early proposals relating to budgets for the next triennium, 2013-2015.

Background

1. The Convention's mission is "the conservation and wise use of all wetlands through local and national actions and international cooperation, as a contribution towards achieving sustainable development throughout the world".
2. The principal mechanisms guiding this work are the decisions of the Contracting Parties at the triennial meetings of the Conference of the Parties, which include the adoption of a Strategic Plan and associated Work Plan which set out the actions expected or requested of the Parties, the Standing Committee, the Secretariat, the Scientific and Technical Review Panel (STRP), the Ramsar International Organization Partners (IOPs), and other collaborators. The Convention is presently operating under its third Strategic Plan, for the period 2009-2015.
3. The financial mechanisms in place to fund this work include the Core budget financed by annual/assessed contributions of Contracting Parties, together with voluntary contributions.

Core budget 2011

4. The Ramsar Secretariat carries out the day-to-day coordination of the Convention's activities and is funded by the Core budget, which was approved for 2009 to 2012 by the 10th meeting of the Conference of the Contracting Parties (Resolution X.2). Parties will recall that the 2011 budget allows for increases only in salaries and IUCN charges (still 13%), with all other budget lines remaining the same throughout the period.
5. The Secretary General would like to make modest amendments to the 2011 Core budget to reflect the current realities faced by the Secretariat. The proposed revised Core 2011 budget, together with the original Core 2010 and 2011 budgets and 2010 actuals, are found in Annex 1.

6. In summary, the result of the proposed changes is simply to use the modest salary cost savings in 2010 and 1% of the 4% 2011 salary budget increases approved by the COP to offset the CHF 50,000 forecast reduction in 2011 in income from salary taxes refunded to the Secretariat's Core budget, and make other minor adjustments. Paragraphs 7-14 elaborate these changes.
7. **Income from retained Swiss income tax.** In the past two years this has been significantly below the CHF 250,000 budgeted at COP10, and the Secretariat does not foresee a significant increase. Whilst an anticipated full complement of non-Swiss staff will aid the situation in 2011, our current expectation is that it is unlikely to increase to much more than CHF 200,000 per year.
8. **Salaries.** The originally budgeted increase in salary lines between 2010 and 2011 was 4%. However, because of salary increases in the prior year being less than budgeted, not all of the absolute increase is needed. A rebudgeting exercise has been completed based on 2010 salaries and current headcount. Setting aside an appropriate amount for 2011 increments based on the Standing Committee-approved Ramsar award process for 2009-2012, the Secretariat currently estimates that CHF 70,000 of the budget allocated will not be required.
9. For the new position of Partnership Coordinator, part of the salary cost will be charged to the 2011 Core budget (approximately 50%) with the balance charged against the Restricted Project balance into which 2009 and 2010 Core allocations have been placed to carry forward.
10. **Travel.** Part of the savings from the above (CHF 9,000) will be used to increase the Secretary General's travel budget to a level consistent with what was spent in 2010. 2010 Core expenditure was sheltered from the effect of travel cost increases by the Reserve Fund release. No such release is expected or requested in 2011.
11. **Regional Initiatives.** The Secretariat would like to request that this budget line be increased by CHF 10,000 and that any balances not allocated by the Standing Committee for Regional Initiatives in 2011 be used for Pre-COP Regional Meetings and any legal support costs incurred during that year. (See document SC42-08 for the proposed allocation.)
12. **IUCN charges.** These have just been agreed for 2011 at CHF 556,000, which is the amount budgeted. The charges for 2011 take into account the effects of the extension to the IUCN building and the allocation of increased charges for the enlarged building with some compensating decreases in other service charges. The charge also reflects the increase in staff headcount in 2011.
13. **Others.** There are also small increases (total CHF 8,000) in operating costs.
14. In 2010 the Secretariat reported a significant problem with the internship programme. Due to the tightly restricted numbers of work permits awarded by the Canton of Vaud, and increasing tightening for non-European nationals, together with the belief by the authorities that Ramsar was underpaying its interns, the Secretariat was not able to easily obtain the work permits needed for Ramsar interns. The Secretariat has worked with the authorities to slightly restructure the interns' salaries and this appears to have satisfied

them for now, at no significant cost to date. When we start renegotiating permits for the next round of interns it will be seen whether the adjustments made are still sufficient. At SC41 it was predicted that from 2011 the Secretariat might be required to increase the intern salaries by CHF 2,000 per month, thus raising the overall salary costs by an estimated CHF 118,000 per annum. At this stage it is not expected that this will be required.

15. The Subgroup on Finance will review the attached revised 2011 budget and make its recommendations to the Standing Committee for its consideration.

Non-Core budget

16. Activities in excess of those approved and funded as Core are the subject of additional fundraising. The third Strategic Plan of the Convention covers Core and non-Core funded activities of the Convention and the Secretariat, which cannot be delivered in full without voluntary contributions. Some vital activities, approved by the Conference of Parties and critical to the implementation of the Convention, require additional voluntary funding.
17. Voluntary-funded activities over the past few years include the redevelopment of the Ramsar website, the development of World Wetlands Day and the production of educational materials, on-the-ground projects (under the Small Grants Fund, Swiss Grants for Africa, Wetlands for the Future, Danone, and others), the work of the STRP, the organization of regional meetings and COP10, among others. This is summarized by donor and nature of work in Annex 2 attached.
18. Without this voluntary funding, the Ramsar Convention would not have had the impact it has had. We of course greatly appreciate the generosity of all who have contributed. However, there is significant work to be done in this area.

Non-Core 2010

19. On a cash basis, the **total** of non-Core voluntary contributions received fell from CHF 1,818,000 in 2009 to CHF 1,320,000 in 2010, of which the amounts coming from Contracting Parties increased slightly from CHF 782,000 to CHF 834,000. The amounts received from Danone decreased from CHF 874,000 to CHF 459,000 due to the scaling back and, in 2011, completion of the 2008-2010 Danone “Ecoles de protection de l’eau” programme. More information on the activities under the Danone programme is included in SC42-20.
20. We had specifically sought CHF 715,000 for key activities in 2010, including the Scientific and Technical Review Panel, the Small Grants Fund, Ramsar Advisory Missions, CEPA workshops, and World Wetlands Week.

CHF '000	2010 need	2010 from Contracting Parties	2010 from other	2010 total received/pledged
STRP priority tasks	104	74	0	74
STRP additional tasks	36	0	36	36

Ramsar Advisory Missions	100	0	0	0
CEPA action planning workshops	75	0	60	60
SGF projects	300	268	40	308
SC41	0	30	0	30
Other Regional Meetings	100	159	0	159
Other projects	0	0	10	10
Total	715	531	146	677

[This table excludes funding needed/received for our WWF/Americas and Swiss Grant for Africa Small Grants Programmes and other ad hoc projects funded by specific donations (including those facilitated exclusively via the Danone programme).]

Non-Core 2011 and beyond

21. For 2011 and 2012 we anticipate the following funding needs for these specific areas:

CHF '000	2011 need	2011 received/pledged	2012 need
STRP priority tasks	272	45	223
STRP additional tasks	50	0	11
World Wetlands Week	0	0	0
Ramsar Advisory Missions	250	0	100
CEPA action planning workshops	100	0	100
SGF projects	300	33	300
Pre-COP regional meetings	600	240	0
COP sponsored delegates	0	0	1,045
Total	1,572	318	1,779

[Note: In addition to this we will be seeking funds for the Wetlands for the Future and other Americas' regional support, the Swiss Grant for Africa programme, and our ongoing project activities and Danone Funds. We have recently signed a new MOU with Danone covering 2011-2015 and have an annual financial commitment from them for EUR 250,000 (CHF 325,000).

22. In February 2011 our Partnership Coordinator joined the Secretariat team. Fundraising for these specific activities will be a priority, and some alternative sources of funding will be pursued. The Secretariat does expect to be able to expand and diversify sources of funding through the work of the Partnership Coordinator, working with the Contracting Parties and Ramsar partners.
23. Contracting Parties will need to help significantly in 2011 and 2012 in the areas of Regional Meeting and COP delegate funding. We have received pledges of CHF 240,000 for the 2011 Regional Meetings thus far, compared with a budget requirement of CHF 600,000. Significant effort will be directed at this for the coming few months.
24. For COP11, we are seeking CHF 1,045,000 for sponsoring the travel and accommodation for two delegates per DAC-listed country. The Secretariat is not at this point seeking

additional funding from Parties for the running of COP11, although it will be supporting Romania in its efforts to ensure that all COP costs, including those incurred by the Secretariat, are covered.

25. One of the most important and valued ways in which the Convention has been able to assist Contracting Parties over the years has been in sending expert Ramsar Advisory Missions (RAMs) to study particular problems at Ramsar Sites and offer recommendations for their resolution. The Secretariat has been receiving an increasing number of requests for RAMs and presently has in the pipeline 11 very important requests which it does not have sufficient resources to address. In addition to the staff support of the Secretariat, RAMs almost always require the participation of a suitably qualified expert or experts as part of the team, and travel to the site, as well as reporting and translation of documents, imply additional costs. Parties requesting RAMs are often unable to provide the funding for these missions, or are unable to provide the funds quickly enough to get urgent RAMs conducted, such that on-the-ground rectification actions are thus severely delayed. The Wetlands for the Future/Americas programme and SGA programmes helped fund four RAMs in 2010, but broader and greater financial support is required.
26. The Standing Committee is invited to consider how it might help to meet these very significant demands of 2011 and 2012. The Secretariat would welcome suggestions as to avenues to pursue and is ready to provide any necessary support and additional information, including detailed and tailored proposals for funding. It is helpful that the Contracting Parties increased the Core budgets for 2009-2012, but the downward pattern of voluntary funding has somewhat undone some of the benefit of that.

A fresh vision and future direction

27. With the 40th Anniversary of the Convention, the Secretariat believes that it is a time for Contracting Parties to take stock of accomplishments and celebrate successes. It is an opportunity for a renewed commitment for all Contracting Parties, particularly from developed and middle income economies, to take action and provide resources – human, knowledge-based, technical and financial – to firmly support the implementation of the 2009-2015 Strategic Plan. Currently, there are simply insufficient resources to finance the required activities.
28. The continued decline in voluntary contributions is critical. The decrease in voluntary funding from Contracting Parties and the dependence on one business partnership with the Danone Group impacts the capacity of the Secretariat, STRP, and regional and national efforts to implement the Convention and impairs the collective ability to ensure the wise use and conservation of Wetlands of International Importance.
29. *Voluntary funding* for programmes is the modus operandi for almost MEAs and many environment programmes, and this is not predicted to change generally or for Ramsar. At the same time the issues, pressures and longer-term impacts on wetlands seem to intensify.
30. *Thematic Work Areas* are an effective mechanism for fundraising and for identifying key partnerships that can help serve and fulfill the mission of the Convention. These themes bring together related activities to meet more effectively the Convention's key objectives. The Secretariat proposes that the concept of thematic work areas be the umbrella under

which all our voluntary fundraising and partnership work should take place. Thematic work areas will help concentrate on the priority actions under labels that may be more closely related to country, foundation or business sector resourcing lines.

31. ***Sustainable financing.*** Voluntary contributions from a variety of sources is vitally important when sustainable and longer-term systematic funding is sought. A key fundraising principle is that the first level of funding comes from the “family” of the organization or entity. At a school, this would represent the parents, board members and even faculty. For a Convention, this means the Contracting Parties. Data show that new donors respond more positively to a request for a gift or donation when they see that the benefactors of the organization have also demonstrated their financial commitment. The inability to demonstrate an increase in funding from an organization’s core group, its Contracting Parties, sends out a large red flag to prospective donors that money is wanted but that the members, or Contracting Parties, are not sufficiently interested to do their part.

Budgeting for the next triennium – 2013 to 2015

32. At COP11 in 2012 Contracting Parties will need to approve budgets for the next triennium. Whilst the Parties continue to deliberate the future of the Secretariat within the administrative status process, the Secretariat anticipates that Parties will want the opportunity to approve funding for the Convention on the basis that the Convention continues to operate and grow, with the Secretariat operating under its current IUCN hosting arrangements. Work is underway to produce budget options for the consideration of the Subgroup on Finance and SC43 approval of its recommendations to the COP.
33. At SC41 the “Standing Committee welcomed the proposals for a new budget framework for presentation to COP11 covering voluntary and in-kind contributions towards COP-mandated but unfunded activities” (decision SC41-16). The proposed budgets for the next triennium will be presented by the Subgroup on Finance to SC43 in the traditional (Core only) and a new (Core and non-Core/voluntary) formats. Annex 3 indicates how both Core and non-Core/voluntary funded activities might be jointly budgeted and approved by the COP.
34. The Secretariat is hoping to complete in the next few weeks a 2013-2015 visioning session, to translate the remainder of the Strategic Plan for 2009-2015 into an actionable work plan and budgets, both Core and non-Core/voluntary, for 2013-2015. The Secretariat will aim to develop thematic work areas upon which to base its continuing fundraising and partnership activities. All of this will provide valuable input to the draft budgets, and format, for the new triennium to be considered by the Subgroup and SC43.
35. Major elements expected to be built into the future Core budget requirements are:
- Continued need for legal resource. It is anticipated that this would not be a full-time staff post, and it will be included in the budget on 20% post-equivalent retainer basis. It will provide a reference for potential and actual issues with respect to memoranda of understanding, contracts, operational rules of procedure for meetings, etc. In recent years the absence of such a resource has been confirmed as a major and

increasing operating risk. Although this has been raised with Contracting Parties on many occasions, no funding for this legal resource has yet been forthcoming.

- Need for dedicated part-time IT support. At present, the Secretariat maintains contacts, contributions, National Reports, COP registration, and project databases, a complex website, and a document management platform, and we want to consider both the move to a Sharepoint information sharing platform and a major overhaul of the RIS database. Information management and communication is vital for the operation of the Convention and it requires constant maintenance and development.
 - Continuation of the long-term plan to scale up the regional teams, adding a Technical Officer for each region to deal with the many regional and national issues, notably in relation to Ramsar Sites, RAM requests, Regional Initiatives and grants, and the implementation of the Convention and its Resolutions at national level through direct support to Contracting Parties.
 - Continuation of the longer-term plan to build a partnership unit to work with the Partnership Coordinator in order to enhance operations under the Convention, help build capacities, carry out and extend programmes and projects, and enhance voluntary funding of special programmes and projects.
 - Suitable remuneration for the Chair of the Scientific and Technical Review Panel (STRP).
 - Additional communications team resources – with less Danone funding for general communications activities, this need is more and more apparent.
36. Human resources continue to be the major capacity constraint in the Secretariat and not all of the above proposals are likely to be fundable by Core contributions from Contracting Parties. Other options may need to be considered. Substantive secondments remain a possible solution, and certainly options exist for finding voluntary funding for some. A programme to second experts, on a cost-free basis, could be established. Likewise a Contracting Party-funded Junior Professional Programme, if carefully designed, could contribute substantially to the Secretariat's capacities to assist the Parties.

Annex 1

RAMSAR CONVENTION CORE							
(Swiss francs '000)							
		Budget COP10 2010	Actual Jan-Dec 10	Budget COP10 2011	Proposed Revised Budget 2011		
	INCOME						
1	Contribution from Contracting Parties (invoices)	3,478	3,482	3,626	3,626		
2	US Voluntary Contributions	981	942	1,023	1,023		
3	Retained Swiss Income Tax	250	188	250	200	This budgeted income is now	
4	Interest Income & Exchange gain	12	8	12	12	unreasonable given the profile of staff.	
5	Miscellaneous	0	30	0	0		
	Total Income	4,721	4,650	4,910	4,860		
	EXPENDITURES						
A	SECRETARIAT SENIOR MANAGEMENT						
a	Salary & social costs	484	460	503	478		
b	Travel on Official Business (International)	29	28	29	38		
M	PARTNERSHIP CO-ORDINATOR						
a	Partnership salaries/social cost	142	142	198	105	Note -50% of salary and related charges	
b	Travel on Official Business (International)				25	will be charged to Restricted Funds	
c	Other employment benefits				60	(prior year budget allocoations)	
B	REGIONAL ADVICE & SUPPORT						
a	Salaries & social costs (SRAs, Oceania off Assists, DSG part)	1,135	1,088	1,180	1,180		
b	Travel on Official Business (International)	80	68	80	80		
C	SUPPORT TO REGIONAL INITIATIVES	279	279	279	289	Any unallocated/spent on Regional	
						Initiatives to be spent on regional	
						meetings	
D	SCIENTIFIC AND TECHNICAL SERVICES						
a	STRP (Implementation/meeting)	86	88	96	96		
b	Salaries & social costs (NCD and MZ)	311	299	308	308		
c	Ramsar Sites Information Service	170	168	170	170		
d	Travel on Official Business (International)	15	31	15	15		
E	CEPA - COMMUNICATION, EDUCATION & PUBLIC AWARENESS						
a	Salaries & social costs (CEPA/COMMS/DOC/DSG20%/CONSI)	443	376	461	446		
b	CEPA Programme (incl. Travel)	30	7	30	30		
c	Communications & Reporting implementation	151	100	151	151		
F	ADMINISTRATION & PERSONNEL MANAGEMENT						
a	Administration (salaries & social cost)	257	237	267	250		
b	Human Resources (salaries & social cost)	40	40	42	42		
c	Other employment benefits	50	67	50	50		
d	Staff hiring and departure costs	36	19	36	36		
G	FINANCE MANAGEMENT						
a	Salaries & Social costs	213	200	222	210		
H	OPERATING COSTS						
a	Operating Costs (photocopying, printing, courier, telephone)	77	74	77	80		
b	Purchase & Maintenance of Equipment/Office Supplies(inclu	12	16	12	17		
I	STANDING COMMITTEE SERVICES						
a	Standing Committee delegates' support	47	68	47	47		
b	Simultaneous interpretation at SC meetings	26	35	26	26		
J	MISCELLANEOUS						
a	Bad debt provision	15	50	15	15		
b	Exchange loss	35	273	35	35		
e	Staff termination and repatriation provisions	25	(22)	25	25		
K	IUCN Service Charges (13%)	535	539	556	556		
	Total Expenditure	4,721	4,711	4,910	4,860		
		0	(61)	0	0		

Annex 2

	Key donors and voluntarily funded activities 2005-2010				
By type	2006	2007	2008	2009	2010
	CHF'000	CHF'000	CHF'000	CHF'000	CHF '000
SGF	318	216	62	155	308
SGA	161	150	163	319	149
Regional meetings	-	262	42	32	159
RAM	39	7	8	16	-
COP	12	-	950	40	-
Danone activities	424	577	583	874	363
STRP	264	30	-	56	110
WFF	320	691	198	17	56
Projects/CEPA	-	80	8	53	60
AdHoc Working Group	-	-	-	86	-
Other	42	68	18	170	116
Total	1,580	2,081	2,032	1,818	1,320
By Major donor	2006	2007	2008	2009	2010
	CHF'000	CHF'000	CHF'000	CHF'000	CHF '000
Danone	424	577	579	874	459
USA	299	246	233	150	162
Switzerland	167	150	203	319	149
SIDA/Sweden	340	349	51	-	86
Aruaco	-	445	-	-	-
Norway	115	55	40	34	110
Japan	-	40	39	18	39
UNEP	8	56	-	87	-
Republic of Korea	-	-	573	88	18
MAVA	-	13	69	-	-
Hungary	-	-	57	-	-
UK	23	-	-	-	15
Australia	-	-	12	86	-
France	-	-	-	-	87
Germany	-	-	31	-	76
Finland	-	-	11	-	35
Other	164	110	94	162	84
Total	1,540	2,041	1,992	1,818	1,320
Cash received basis					

ANNEX 3 - Ramsar Budget 2011-2012				
RAMSAR COP APPROVED BUDGET 2011-2012				
ILLUSTRATIVE REVISED PRESENTATION				
INCOME	CORE 2011	CORE 2012	NON-CORE 2011	NON-CORE 2012
	CHF	CHF	CHF	CHF
A. CONTRIBUTIONS	000	000	000	000
i. Assessed contributions from Contracting Parties	3,625	3,779	-	-
ii. Voluntary contributions from Contracting Parties	1,023	1,066	1,772	1,979
iii. Other contributions	-	-	200	200
B. OTHER INCOME				
i. Income tax rebate	250	250	-	-
ii. Interest income	12	12	-	-
TOTAL INCOME	4,910	5,107	1,972	2,179
EXPENDITURES	2011	2012	2011	2012
A. SECRETARIAT SENIOR MANAGEMENT	532	553		
B. REGIONAL ADVICE & SUPPORT	1,260	1,307		
C. SUPPORT TO REGIONAL INITIATIVES	279	279		
D. SCIENTIFIC AND TECHNICAL SERVICES	589	597		
E. CEPA - COMMUNICATION, EDUCATION & PUBLIC AWARENESS	642	660		
F. ADMINISTRATION & PERSONNEL MANAGEMENT	395	407		
G. FINANCE MANAGEMENT	222	231		
H. OPERATING COSTS	89	89		
I. STANDING COMMITTEE SERVICES	73	73		
M. PARTNERSHIP Co-ordinator	198	257		
K. IUCN SERVICE CHARGES (13% of expenditures)	556	579		
J. MISCELLANEOUS	75	75		
1. STRP			322	234
2. World Wetlands Week			-	-
3. RAMs			250	100
4. CEPA action planning workshops			100	100
5. SGF/WFF/SGA - grants programmes			700	700
6. Regional Meetings			600	-
7. COP			-	1,045
TOTAL EXPENDITURE	4,910	5,107	1,972	2,179
	This is a summarised COP approved CORE budget		This is the 2011/2012 needs as presented to SC-42, with an additional CHF400k per annum of WFF/SGA funding.	