

CONVENTION ON WETLANDS (Ramsar, Iran, 1971)

51st Meeting of the Standing Committee

Gland, Switzerland, 23-27 November 2015

SC51-19 Rev. 1

Contracting Parties with outstanding annual contributions

Actions requested:

The Standing Committee is invited to note the current status of Parties' outstanding annual contributions and actions taken and planned by the Secretariat to stimulate the payment of arrears.

Background

1. Article 6.6 of the Convention states: "Each Contracting Party shall contribute to the budget according to a scale of contributions adopted by unanimity of the Contracting Parties present and voting at a meeting of the ordinary Conference of the Contracting Parties."
2. Annual (assessed) contributions from Parties are used to finance the Conventions' Core budget. Each year, the Secretariat invoices Parties for their annual contributions. Swiss franc invoicing is based upon the approved Core budget and the current UN Scale of Assessments. (The current UN Scale of Assessments is adjusted on a pro rata basis to reflect the actual membership of the Convention at the beginning of the year.) Income is recognized on invoicing and a receivable is recorded, assuming full collection.
3. Most Contracting Parties pay their assessed contributions on a timely basis. Some Parties, for a number of (often valid) reasons, do not pay their contributions on such a timely basis, and sometimes not in the year in which they fall due. The Secretariat is regularly in touch with these Parties and is able to agree payments at specified future dates, without this severely affecting the operations of the Convention or the Secretariat.
4. Before each financial year end, the Secretariat assesses the status of outstanding contributions, based on the amounts and lengths of time outstanding, and records a provision accordingly. Every annual increase in the provision reduces the Core funds available to spend.¹
5. Core contributions, outstanding contributions and the provision against them have been gradually increasing over time, and those since 2011 are shown in Table 1.

¹ No outstanding contributions are written off. The Standing Committee is advised if a Party expressly advises that it does not recognize their outstanding contributions and/or has no intention of paying them.

Table 1: Outstanding contributions and provision for non-collection, 2011-2015 (CHF '000s)²

Description	2011	2012	2013	2014	2015
Assessed contributions from Parties	3,625	3,780	3,782	3,779	3,779
Voluntary contribution from USA	872	930	1,048	1,066	1,065
Cumulative outstanding	736	759	759	943	2,528
Provision for non-collection	361	361	385	511	TBD ³

2015 update

6. In Resolution XI.2 (2012), the Conference of the Contracting Parties “Urges Contracting Parties with outstanding contributions to make a renewed effort to settle them as expeditiously as possible to enhance the financial sustainability of the Convention through contributions by all Contracting Parties, and requests the Secretariat to contact Contracting Parties with outstanding contributions in excess of three years and work with them to identify appropriate options and actions for addressing the situation and initiating a plan for making payment of contributions, and to report back to each Standing Committee meeting and COP on activities taken and results achieved”.

7. The Standing Committee at SC48 noted the current status of Parties’ outstanding contributions and encouraged the Secretariat, working with Finance Subgroup members, to continue to take collaborative actions to make progress to resolve this issue. The Standing Committee noted the Subgroups’ request for prioritizing Contracting Parties that have never paid, and underlined its hope for progress by Parties that have been in arrears for more than three years. Additionally, the Standing Committee noted the actions of Switzerland to restrict use of its additional voluntary contributions to African Contracting Parties whose contributions have been fully paid up. The Standing Committee hoped that this action would support other efforts of the Secretariat.

8. The Secretariat’s actions since SC48 have included:
 - Sending of reminders and statements via diplomatic and other government channels to specific Parties;
 - Visits and follow-up communications to Geneva-based permanent missions of Parties with arrears; and
 - Sustained verbal and written reminders to National Focal Points and Administrative Authority contacts.

² Table values for 2014 are different from SC48-10 document for “Cumulative outstanding” and “Provision”, these numbers are based on final 2014 audited financial statements and not the forecast provided at SC48.

³ To be determined at 2015 year end.

9. The number of Parties with arrears for more than 3 years (year 2012 and older) is shown at Table 2.

Table 2: Contracting Parties with arrears for more than 3 years, by region

	2015		2014	
	Count	Amount	Count	Amount
Africa	19	161,000	16	134,000
Asia	8	21,000	4	14,000
Europe	1	3,000	1	2,000
Neotropics	6	63,000	3	41,000
Oceania	4	24,000	4	27,000
	38	272,000	28	218,000

10. As of 30 June 2015, there was CHF 2,528,000 of outstanding annual contributions from 2015 and earlier due, as shown in Annex 1. This is a significant increase from 2014 (CHF 1,067,000). However, the report was produced as of 30 June 2015 and the sum outstanding is expected to fall through the remaining six months of 2015. An updated report will be provided at SC51 meeting. The profile of unpaid contributions is shown in Table 3.

Table 3: Outstanding contributions at 30 June 2015 and number of years in arrears

Year payment was due	Years In Arrears as of 2015	Unpaid (CHF '000s)	Running Balance (CHF '000s)
2007	>8	80	
2008	8	19	99
2009	7	23	122
2010	6	43	165
2011	5	47	212
2012	4	59	272
2013	3	241	512
2014	2	328	841
2015	1	1,688	2,528
Total		2,528	

11. It has previously been suggested that the Standing Committee or COP could ask the Secretariat to manage requests from Contracting Parties with outstanding contributions in the following ways:
- by not accepting further Small Grants Fund (SGF) proposals from such countries;
 - by providing the Secretariat's advice and missions (including Ramsar Advisory Missions) only in emergency situations; and
 - by providing financial support for the attendance of delegates at regional and COP meetings only if the Contracting Party is not more than three years in arrears and after all other eligible Parties have been assisted.
12. At SC47, a comparison of outstanding contributions was made with Ramsar and other conventions (CITES, CBD and CMS and WHF). There was no convincing evidence from these

analyses or from our discussions with CBD, CMS and CITES that their approaches have delivered significantly better collections. For CBD and CITES, their current profile of arrears was very similar to that of the Ramsar Convention. For CMS, the number of Parties with arrears is half that of Ramsar's, but they also have only 70% the current membership of Ramsar. (For further information, see document SC47-13.)

13. At SC48, through Decision SC48-12, the Standing Committee decided not to apply punitive measures to Parties with outstanding contributions.
14. The Secretary General believes progress on clearing arrears and fuller engagement and financial commitment by all Parties to the Convention would send positive messages about the governance of the Convention and enable the Secretariat to fully achieve the tasks set by the COP.
15. It is important to continue to explore additional actions since the status of contributions appears not to be markedly improving, and also to recognize that success comes from multiple sustained actions.
16. One approach is to wait and observe the impact of new rules applied by the voluntary donors. We are already receiving signals from donors such as Switzerland (for SGA from 2013) that they only wish to support countries without arrears unless they are on the OECD DAC List of ODA Recipients "Least Developed Countries" category. It is possible that these or other donors may go further and choose to stop the sponsoring of attendance at intersessional Regional Meetings or attendance at COPs for delegates of Parties with more than three years of arrears.
17. As of 31 October 2015, there was CHF 1,544,027 of outstanding annual contributions from 2015 and earlier due, as shown in Annex 2. This is an increase of CHF 477,000 from 2014 (CHF 1,067,000). Note: there are two months remaining in 2015 and an updated report regarding the final 2015 outstanding contributions will be presented at the next Standing Committee meeting.

