CONVENTION ON WETLANDS (Ramsar, Iran, 1971)

52nd Meeting of the Standing Committee

Gland, Switzerland, 13-17 June 2016

**SC52-19**

**Contracting Parties with outstanding annual contributions**

**Actions requested:**

The Standing Committee is invited to note the current status of Contracting Parties’ outstanding annual contributions, and to approve the actions proposed by the Secretariat to encourage the payment of arrears, namely:

* Securing explicit written payment plans from as many Parties with arrears of more than three years as possible, focusing upon Parties which have never paid since acceding and those with such longer-term arrears of more than CHF 50,000;
* Reporting progress of each Party to the Standing Committee’s 53rd meeting; and
* Engaging the new regional representatives on the Subgroup on Finance in this activity.

**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. In Resolution XI.2 paragraph 17, 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”.
4. Before the end of each financial year, 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]](#footnote-1)

**2016 update**

1. The position of each Contracting Party as at 29 February 2016 is shown in the table at Annex 1.
2. Core contributions, outstanding contributions and the provision against them have been gradually increasing over time, and their respective totals at the end of each year from 2012 to 2015 are shown in Table 1. As of 31 December 2015, CHF 1,260,000 of annual contributions was outstanding from 2015 and earlier.
3. Table 1 also shows the outstanding contributions at 29 February 2016. It should be noted that 2016 contribution invoices were sent to the Parties on 20 January 2016 with a due date of 20 February 2016. The short time frame from due date of 20 February to 29 February 2016 can explain the significant amount of contributions outstanding for 2016.

**Table 1**: Outstanding contributions and provision for non-collection, 2012-2016 (CHF ‘000s)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **2012** | **2013** | **2014** | **2015** | **29/02/2016** |
| Assessed contributions from Parties | 3,780 | 3,782 | 3,779 | 3,779 | 3,779 |
| Voluntary contribution from USA | 930 | 1,048 | 1,066 | 1,065 | 1,065 |
| Cumulative outstanding | 759 | 759 | 943 | 1,260 | 4,226 |
| Provision for non-collection | 361 | 385 | 511 | 644 | TBD[[2]](#footnote-2) |

1. As of 29 February 2016, 90 Contracting Parties had paid all their contributions due up to and including 2015. 26 of them had already paid their contributions for 2016. The Secretariat acknowledges the consistent and prompt support of these Parties.
2. The total global amount of unpaid arrears as of 29 February 2016, by the year at which they were first due, is shown at Table 2.

**Table 2**: Outstanding contributions at 29 February 2016 and number of years in arrears

|  |  |  |  |
| --- | --- | --- | --- |
| **Year due** | **Years in arrears** | **Total unpaid contributions (CHF '000s)** | **Total due at or before each year (CHF '000s)** |
| **2008 or before** | >8 | 91 |   |
| **2009** | 8 | 22 | 113 |
| **2010** | 7 | 28 | 141 |
| **2011** | 6 | 44 | 185 |
| **2012** | 5 | 53 | 238 |
| **2013** | 4 | 226 | 464 |
| **2014** | 3 | 269 | 732 |
| **2015** | 2 | 487 | 1,220 |
| **2016** | 1 | 3,006 | 4,226 |
| **Total** |   | **4,226** | **4,226** |

1. The total arrears due from 2015 or before, as at 29 February 2016, were CHF 1,220,000. Such arrears were due from 78 Parties.
2. The number of Parties in each region with arrears due for more than three years at the end of 2014 and 2015, and the total amounts of those arrears, are shown at Table 3. At the end of 2015, 30 Parties had arrears due for more than three years, to a value of CHF 241,977.

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

|  |  |  |
| --- | --- | --- |
|  | **End 2014** | **End 2015** |
| **Region** | **Count** | **Amount CHF** | **Count** | **Amount CHF** |
| **Africa** | 16 | 134,000 | 17 | 147,983  |
| **Asia** | 4 | 14,000 | 4 | 19,203  |
| **Europe** | 1 | 2,000 | 1 | 3,000  |
| **Latin America and Caribbean** | 3 | 41,000 | 6 | 48,586  |
| **Oceania** | 4 | 27,000 | 2 | 23,205  |
| **Total** | **28** | **218,000** | **30** | **241,977**  |

**Proposed Secretariat response**

1. At SC48, through Decision SC48-12, the Standing Committee decided not to apply punitive measures to Parties with outstanding contributions.
2. Nonetheless, the Acting 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.
3. Priority actions in 2016 will focus on the 41 Parties with arrears of more than three years at the end of 2015. The Secretariat will use Resolution XI.2 paragraph 17 to help in securing explicit written payment plans from as many of these as possible, and will report the progress of each Contracting Party to the Standing Committee’s 53rd meeting. It will also engage the new regional representatives on the Subgroup on Finance in this activity.
4. Special efforts will be focused on the eight Parties which have never paid, and the four Parties with arrears of more than three years totalling over CHF 50,000.

**Annex 1 Membership receivables, 2016 and prior, outstanding as at 29 February 2016**

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. [↑](#footnote-ref-1)
2. To be determined at 2016 year end. [↑](#footnote-ref-2)