CONVENTION ON WETLANDS (Ramsar, Iran, 1971)

53rd Meeting of the Standing Committee

Gland, Switzerland, 29 May – 2 June 2017

**SC53-21**

**Update on outstanding annual contributions**

**Actions requested:**

The Standing Committee is invited to:

1. Note the improved status of Contracting Parties’ outstanding annual contributions;
2. Note the proposed Secretariat actions for 2017 to continue encouraging the payment of arrears, namely:
	1. Focusing on the parties with arrears of more than three years;
	2. Giving particular attention to Parties that have never paid since acceding and those with longer-term arrears of more than CHF 50,000;
	3. Continuing to engage the Secretariat's Senior Regional Advisors in this activity;
	4. Reporting progress in the payment of contributions in arrears at the 54th Meeting of the Standing Committee;
3. Consider additional measures to be more aligned with practices of other Conventions, such as adding a webpage to the Ramsar website with monthly updated lists of outstanding contributions by Contracting Parties;
4. Approve changing the percentages and calculation of the annual provision against dues receivable from Contracting Parties following the practice of other conventions;
5. Note that the core fund of the Secretariat is no longer in a financial situation that would necessitate an austerity budget for 2018, and that the Executive Team thus agreed on 23 February 2017 to maintain the 2018 budget approved at COP12;
6. Note the current status of the voluntary contributions of Contracting Parties in the African region, as defined by Resolution X.2, paragraph 23; and
7. Approve the inclusion of a paragraph in the draft resolution on financial matters, to be considered by the Contracting Parties at COP13, to change the description of these contributions from “voluntary” to “additional”.

**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 Convention’s core budget. Each year, the Secretariat invoices Parties for their annual contributions. Swiss franc (CHF) invoicing is based upon the approved core budget and the current UN Scale of Assessments, adjusted on a *pro rata* basis to reflect the actual membership of the Convention at the beginning of the year.
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”.

**Progress during 2016**

1. The table in Annex 1 presents, for each Contracting Party, a comparison of the position in relation to payment of outstanding contributions on 29 February 2016 and 31 December 2016.
2. Table 1 shows the outstanding contributions from 2012 to 2016, and the related provisions for non-collection of outstanding contributions. The total outstanding contributions due from 2016 or before, as at 31 December 2016, were CHF 1,277,035. These arrears were due from 79 Parties. The overall level of outstanding contributions improved, with a reduction of CHF 72,086 or 5% by 31 December 2016. (Note that Contracting Parties paid a further CHF 103,000 towards these outstanding contributions between 1 January 2017 and 22 February 2017.) In addition, it should be noted that the preliminary 2016 provision calculation is CHF 30,000 less than the 2015 provision. This contrasts with the recent trend of increasing annual provisions.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Assessed contributions from Parties | 3,780 | 3,782 | 3,779 | 3,779 | 3,779 |
| Voluntary contribution from United States of America | 930 | 1,048 | 1,066 | 1,066 | 1,066 |
| Cumulative outstanding | 759 | 759 | 943 | 1,349 | 1,277[[1]](#footnote-1) |
| Provision for non-collection(i.e. provision against contributions in arrears) | 361 | 385 | 483 | 691 | 661[[2]](#footnote-2) |

1. As of 31 December 2016, 90 Contracting Parties had paid all their contributions due up to and including 2016. Nineteen of them had already paid all or part of their contributions for 2017. The Secretariat acknowledges, with appreciation, the consistent and prompt payment of these Parties.
2. A comparison of the total amount of unpaid contributions as of 29 February 2016 and 31 December 2016, by the year at which they were first due, is shown in Table 2. Significant progress was made in payment of outstanding contributions that were overdue by four years or fewer. Modest progress was made with outstanding balances overdue by five or more years. Overall, 70% of the contributions outstanding at 29 February 2016 were paid by 31 December 2016.

*Table 2: Comparison of outstanding contributions at 29 February 2016 and 31 December 2016 with number of years in arrears*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year due** | **Years in arrears** | **Total unpaid contributions at 29/02/2016(CHF '000s)** | **Total unpaid contributions at 31/12/2016 (CHF '000s)** | **Percentage of 29 February 2016 unpaid contributions paid by 31/12/2016 (%)** |
| **2008 or before** | >8 | 91 | 82 | 10% |
| **2009** | 8 | 22 | 20 | 9% |
| **2010** | 7 | 28 | 26 | 7% |
| **2011** | 6 | 44 | 42 | 5% |
| **2012** | 5 | 53 | 48 | 9% |
| **2013** | 4 | 226 | 73 | 68% |
| **2014** | 3 | 269 | 114 | 58% |
| **2015** | 2 | 489 | 327 | 33% |
| **2016** | 1 | 3,006 | 545 | 82% |
| **Total** |  | **4,228** | **1,277** | **70%** |

1. A comparison of the total amount of unpaid contributions as of 29 February 2016 and 31 December 2016, by region, is shown in Table 3.

*Table 3: Comparison of total outstanding contributions at 29 February 2016 and 31 December 2016, by region*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Total unpaid contributions at****29/02/2016** | **Total unpaid contributions at** **31/12/2016** | **Percentage of 29/02/2016 unpaid contributions paid by 31/12/2016** | **Memo: Contracting Parties with arrears > 3 years at 31/12/2016**  |
| **Region** | **Amount CHF** | **Amount CHF** | **%** |  |
| **Africa** | 352 | 302 | 14% | 20 |
| **Asia** | 1,109 | 108 | 90% | 6 |
| **Europe** | 1,728 | 231 | 87% | 1 |
| **Latin America and the Caribbean** | 957 | 616 | 36% | 6 |
| **Oceania** | 37 | 20 | 46% | 1 |
| **North America** | 45 | 0 | 100% | 0 |
| **Total** | **4,228** | **1,277**[[3]](#footnote-3) | **70%** | **34** |

1. In response to Decision SC52-27 [[4]](#footnote-4) the Ramsar Senior Regional Advisors contacted Contracting Parties in their region during 2016 to resolve the issue of outstanding annual contributions. In addition, the Secretariat has continued to send account statements with annual invoices to the Contracting Parties. These efforts contributed to a 5% reduction in the level of total outstanding contributions during the year.
2. Feedback from Contracting Parties regarding Decision SC52-27 indicates that it is preferable to send written communications to government officials or ministers only when requested by a Contracting Party. The feedback from Parties in Africa suggested that written communications should be sent. As a result the Secretariat is in the process of identifying the appropriate government official or minister to contact in writing, for each of the 20 Contracting Parties in Africa with arrears outstanding for more than three years.

**Proposed Secretariat actions for 2017**

1. The Secretariat’s priority actions in 2017 will focus on the 34 Parties (down from 41 reported at SC52) with arrears of more than three years at the end of 2016. The Secretariat will continue to engage its Senior Regional Advisors in this activity. In addition, with a focus on the Africa region, it will follow up paragraph 17 of Resolution XI.2, to seek explicit written payment plans from as many Parties as possible, and will report the progress of each Contracting Party at the 54th Meeting of the Standing Committee (SC54).
2. Special efforts will be focused on the seven Parties that have never paid their contributions (down from eight reported at SC52), and the two Parties with arrears of more than three years totalling over CHF 50,000 (down from four reported at SC52).

**Proposed additional measures to consider to be more aligned with practices of other conventions**

1. The Secretariat has identified additional practices of other Conventions that the Standing Committee might wish to consider, such as adding a page to the Ramsar website with monthly updated lists of outstanding contributions by Contracting Party. Other Conventions, including the Rotterdam, Stockholm and Basel Conventions and CITES, have had such a process in place for several years, as the following links show:
	* Rotterdam Convention: <http://www.pic.int/Default.aspx?tabid=5023>
	* Stockholm Convention: <http://chm.pops.int/Default.aspx?tabid=5020>
	* Basel Convention: <http://www.basel.int/Default.aspx?tabid=5021>
	* CITES: <https://www.cites.org/sites/default/files/eng/disc/funds/ct_en.pdf>
2. 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 against these outstanding contributions in arrears. Every annual increase in the provision reduces the core funds available to spend. For 2016 onwards, the Secretariat proposes to change the percentages and calculation of the annual provision against dues receivable from Contracting Parties, to align its practice with that of other Conventions such as the Rotterdam, Stockholm and Basel Conventions, and CITES. This would also further align Ramsar policy with the International Public Sector Accounting Standards (IPSAS). The application of the revised percentages and calculation is not expected to increase the 2016 calculated provision amount for Ramsar. The proposed percentages and calculation for the computation of the provision are shown in Table 4.

*Table 4: Comparison of proposed and current percentages and calculations used for the computation of the annual provision against dues receivable from Contracting Parties*

|  |  |  |  |
| --- | --- | --- | --- |
| **Years overdue** | **Years outstanding for the 2016 provision calculation** | **Proposed percentages for provision calculation to be applied to each outstanding balance based on the age of the outstanding balance (%)** | **Current provision percentages applied to the total outstanding balance for each Contracting Party based on the age of the oldest outstanding balance (%)** |
| **1** | 2016 | 20% | 5% |
| **2** | 2015 | 20% | 20% |
| **3** | 2014 | 60% | 40% |
| **4** | 2013 | 80% | 60% |
| **5** | 2012 | 100% | 80% |
| **6 and over** | 2011 and earlier | 100% | 100% |

**Austerity budget**

1. Through Decision SC52-28, “The Standing Committee instructed the Secretary General to propose a 2018 austerity budget to address the increasing amount of outstanding contributions, for consideration at SC53.”
2. The Secretary General has reported to the Executive Team that significant progress has been made in countering the recent trend of increasing outstanding contributions. This progress, combined with the proposed actions for 2017 outlined above, will continue to improve the stability of the core fund of the Secretariat. As a result, the Secretary General proposed to the Executive Team that, for the foreseeable future, the fund is no longer in a situation of financial instability that would necessitate the adoption of an austerity budget. On 23 February 2017, the Executive Team agreed to maintain the 2018 budget approved at COP12.

**Africa Region voluntary contributions**

1. At COP10, through Resolution X.2, paragraph 23, the Contracting Parties of Africa assessed with an annual contribution at less than CHF 2,000 agreed to increase their payments to that level. The difference between CHF 2,000 and their assessment was to be in the form of a voluntary contribution specifically earmarked for African Regional Initiatives.
2. In response to Decision SC52-27, the assessment of the voluntary contributions for 2016 is that four out of 44 (or 9%) of the concerned Contracting Parties were up to date with their contributions and also made a voluntary contribution for the year. Resolution X.2 was approved eight years ago and, during that period, 23 of 44 Contracting Parties (52%) have made a voluntary contribution for at least one of the eight years. These 23 Contracting Parties have made a combined voluntary contribution totalling CHF 98,551 over the eight years.
3. The voluntary contributions received from the African region during the period from 2009 to 2016 are shown at Annex 2.
4. The Secretariat proposes that the draft Resolution on financial matters, to be considered by the Contracting Parties at COP13, include a paragraph to amend the wording of Resolution X.2, paragraph 23, to replace “voluntary” by “additional” contributions.

**Annex 1 Outstanding Contributions changes by 31 December 2016 (1 of 2)**

**Annex 1 Outstanding Contributions changes by 31 December 2016 (2 of 2)**

**Annex 2 - Voluntary Contributions from Africa Region Contracting Parties**



1. To be finalized during the 2016 year-end audit. Also note that Contracting Parties paid a further CHF 103,000 toward old outstanding contributions between 1 January 2017 and 22 February 2017. [↑](#footnote-ref-1)
2. To be finalized during the 2016 year-end audit. [↑](#footnote-ref-2)
3. Note that Contracting Parties paid a further CHF 103,000 toward old outstanding contributions between 1 January 2017 and 22 February 2017. [↑](#footnote-ref-3)
4. Decision SC52-27: The Standing Committee instructed the Secretariat:

• For countries with arrears greater than three years (from end 2015), to:

− work with the Ramsar national focal point to identify the appropriate government official/minister (individual) who can resolve outstanding annual contributions,

 − notify the individual, in writing, of status of outstanding contributions, with copy to Finance Minister (or equivalent), and

− request acknowledgement and/or payment of their outstanding contributions.

• Following the recommendation of African countries to Standing Committee, to:

− make an assessment of the voluntary contributions of this region

− make a report at SC53, and to develop a Draft Resolution changing the word voluntary to “additional” taking account of the considerations of this region. [↑](#footnote-ref-4)