

Financial and budgetary matters
Report on financial matters 2016-2018

Actions requested:

Standing Committee is invited to:

- i. review and accept the attached 2016 audited financial statements as of 31 December 2016;
- ii. review and accept the 2017 audited financial statements as of 31 December 2017;
- iii. note the core budget results for 2017 and carry-forward of 2017 surplus;
- iv. note the non-core funding status and voluntary contributions for 2017;
- v. note the status of African voluntary contributions and provide guidance to the Secretariat on use of the balance;
- vi. approve the Secretariat's proposed adjustments to the COP12-approved core budget for 2018;
- vii. note the status of funding for pre-COP meetings and COP13 and encourage additional voluntary contributions;
- viii. review the future of the Small Grants Fund and make recommendations to COP13;
- ix. decide on the use of non-core balances identified in the paper;
- x. note the management review of non-core funds; and
- xi. note the Secretariat's proposals for managing non-core funding;

Background

1. This report addresses financial matters concerning the Ramsar Convention's core and non-core budget for 2016 to 2018. This revision is issued to reflect the final financial results as of 31 December 2017 upon issuance of the audit opinion on 9 April 2017.
2. Improvements in the financial management of the Secretariat have been validated by the external auditors. The Secretariat has strengthened its capacity with most processes completed in compliance with IUCN policies and procedures where applicable, with related processes and procedures having been put in place in 2017 and with some templates and guidelines being finalized in 2018. Capacities have been built in this regard and performance objectives included in management positions. The internal control allocation between IUCN and Ramsar was documented. Further follow-up will depend on the outcome of the management review being conducted by the IUCN oversight unit.

2016 results - core budget

3. As reported and agreed upon during SC53 (Decision SC53-26), the audit of the 2016 financial statements was delayed until after SC53. The 2016 audited financial statements as of 31

December 2016 were issued on 28 July 2017 and shared with the Executive Team and the Chair of the Subgroup on Finance on 3 August 2017.

4. The Executive Team recommended that the auditor's report be considered and accepted by Subgroup on Finance and, thereafter, that it be shared with the Standing Committee.
5. Several views were expressed in the Subgroup on Finance but no consolidated response was provided. The audited accounts have thus not been shared with the Standing Committee nor posted on the website. The Standing Committee is invited to review and accept the 2016 audited financial statements as of 31 December 2016 attached in Annex 1. The full 2016 audited financial statements including the notes and audit opinion have been published¹ for consideration by the Standing Committee.

2017 results – core budget

6. The 2017 core budget results summary attached in Annex 2 shows the 2017 approved budget, the authorized use of surplus as per decision SC53-29 of CHF 294K in 2017, the shift in travel budget lines as per the inter-sessional proposal sent to the Subgroup on Finance as requested in Decision SC53-28, as well as final income and expenditures in 2017 as confirmed by the audit opinion issued on 9 April 2018. The annex also shows the balance as of 31 December 2017, with the variance between actuals and budget.
7. The full 2017 audited financial statements including the notes and audit opinion have also been published² for consideration by the Standing Committee. The Standing Committee is invited to review and accept them.
8. The shift in travel budget referenced above is a response to Decision SC53-28 and it was submitted to the Subgroup on Finance. The shift reflects vacancies in 2017 as well as new positions. The proposed changes were made.
9. At the end of 2017, there was a core budget surplus of CHF 825K. This core budget surplus includes the CHF 294K of 2016 surplus allocated to the 2017 budget³ and as such, the surplus of income over expenditures for 2017 as per the financial statements is CHF 531K (see also Annex 2). The budget surplus of CHF 825 results from under-expenditures of CHF 842K and CHF 17K less income than budgeted. The budget balance is mainly due to vacancies that have been filled throughout the year. Table 1 below provides a summary.

¹ https://www.ramsar.org/sites/default/files/documents/library/report_auditor_ramsar_2016_e.pdf

² https://www.ramsar.org/sites/default/files/documents/library/report_auditor_ramsar_2017_e.pdf

³ Out of the 2016 surplus of CHF 510K, CHF 44K remained unallocated and CHF 60K was set aside for Regional Initiatives. Of the remaining CHF 406K, CHF 294K was allocated to 2017 budget and CHF 112K to 2018 budget (see SC53-29).

Table 1: 2017 core budget surplus summary ('000 CHF, includes possible rounding differences)

Category / Department	Savings / (Over-expenditure) 2017	Comments
Senior Management	103	Vacancy of Deputy position for the first months of 2017
Partnership Coordinator	184	Vacancy of Director, Resource Mobilization and Outreach during almost the first three quarters of 2017
Regional Advice and Support	140	Salaries and benefits (76K) and 77K balance for Ramsar Advisory Missions to be spent in 2018
Support to Regional Initiatives	28	Balance of Regional Initiative Amazon Basin to be spent in 2018
Scientific and Technical Services	83	Vacancy of Director, Science and Policy, until quarter 3 (81K)
Communications	55	56K balance in CEPA program and communications due to vacancy of position of Director, Resource Mobilization and Outreach
Administration/RSIS/Web	254	Salaries and benefits (107K), mainly due to partial medical leave of administrative assistant; 15K over-expenditure in staff hiring and departure costs due to filling of several vacant positions in 2017; 70K balance in RSIS and 92K balance in web support and development due to reduced needs in systems development
Operating Costs	27	Thereof 26K balance relates to planning and capacity-building to be spent in 2018 together with additional budget authorized for 2018
Standing Committee Services	35	Savings mostly related to 26K balance for other meetings (thereof 8K for Executive Team meeting and 32K for pre-COP interpretation foreseen in 2018)
IUCN Administrative Service Charges	21	Admin service charges were budgeted at maximum; actual expenditures projected slightly less
Provisions, exchange difference and legal services	-88	Over budget mainly due to increase in bad debt provision of 67K and in leave provision of 40K. Includes exchange gains of 22K.
Total	842	Overall projected budget savings 2017
Shortfall in income compared to budget	-17	10K less income tax and 8K less other income (such as interest income)
Overall 2017 surplus to be carried forward into 2018	825	

Note: Includes the authorized use of surplus in 2017

bold text: Committed from 2016 surplus to be spent in 2018 - total of CHF 143K

10. The following points are highlighted for the Standing Committee's consideration:

- a. Projected income was generally as budgeted except for income tax, which was CHF 10K under budget due to vacancies as well as other income, including interest income, which was CHF 7K lower than budgeted.

- b. Overall salary costs were at CHF 3,026K corresponding to a budget implementation rate of 88% and salary costs amounting to 67% of overall expenditure.
 - c. No IUCN-imposed cost-of-living increases have come into effect since 2011. Performance-based salary increases implemented by IUCN in 2017 are proposed to be implemented in Ramsar in 2019 as the Secretariat first needs to implement the new on-line performance system (see document SC54-7.3).
 - d. Provisions were over budget, mainly as a result of the increase in bad debt provision of CHF 67K compared to 2016 and the increase in leave provision of CHF 40K compared to 2016. There was an overall exchange gain of CHF 22K.
11. Following the Secretary General's decision, endorsed by SC and auditors, to stop the practice of moving surplus from core to non-core funds, the Secretariat addressed the requests made in Decision SC53-31, i.e. to report back to the Sub-group on the basis of the Terms of Reference for Financial Administration of the Convention in Resolution 5.2 Annex 3 paragraph 8; create an operational reserve on pilot basis, if needed; and report on the experience to SC54. In order to manage in a more transparent way the 2016 surplus allocation approved by SC53, the Secretariat applied the practice of other conventions, and included the approved use of surplus for specific purposes in the approved 2017 core budget, introducing special codings and made necessary adjustments in the financial system to allow for efficient and transparent tracking of the use of these funds. All use of core funds including use of authorized surplus funds are reported under the core results report in Annex 2. Moving forward, the Secretariat does not see the need to create an operational reserve and it rather proposes to implement Resolution 5.2 Annex 3 paragraph 8, referred to in the decision SC53-31 (see below). It further proposes to show and code the surplus as described above, which is also consistent with how other conventions operate.
12. Funds which had, prior to 2017, been transferred to non-core projects, remain under the non-core funding category and are being used up for the specified purpose as approved by the Subgroup on Finance in paragraph c) of the draft report of the Meeting of the Sub-group on Finance (30 May, June 1 and 2 2017). An overview over these can be found under the non-core funds report in Annex 3.

Use of 2017 surplus

13. The Secretariat proposes to keep the reserve at CHF 762K corresponding to 15% of the annual core budget approved by COP12, in line with Resolution XII.1. Given that this is the target maximum level approved by the COP, there is no need to reallocate resources for this purpose.
14. Regarding the 2017 balance of allocated funds of CHF 825K (underspending in the core budget of CHF 842K minus shortfall in income of CHF 17K, see Annex 2), as mentioned in paragraph 11, the Secretariat proposes to transfer any uncommitted/unexpended balance of appropriations per budget line to 2018, as provided for in the Terms of Reference for Financial Administration of the Convention in Resolution 5.2 Annex 3 paragraph 8, applied *in toto* to the 2016-2018 cycle as per Resolution XII.1 The Secretariat proposes to report on the full triennial balance at the end of the triennium.

2017 results: non-core budget and voluntary contributions

15. The status of non-core funding as of 31 December 2017 can be found in Annex 3. In 2017, as shown in Annex 3, voluntary contributions of CHF 420K and African voluntary contributions of CHF 14K were received. Together with exchange gain losses and gains, this resulted in a total income of non-core funding of CHF 444K.
16. The voluntary contributions received in 2017 are outlined in table 2 below. As per Decision SC53-32, Table 2 provides an overview of voluntary contributions received in 2017 linked to the relevant COP priorities as per Annex 3 of Resolution XII.1.

Table 2: Voluntary non-core contributions received in 2017 (in '000 CHFs)

Donor	Amount	Comment	Non-core priority as per Annex 3 of Resolution XII.1
Emaar	68		Ramsar Advisory Missions for Parties requiring assistance
WWF	13		Ramsar Advisory Missions for Parties requiring assistance
UNEP	25	InforMea project	RSIS/IT (Website) Continuing Development
Australia	7		Pre-COP13 regional meetings (delegates support and meeting costs for preparatory meetings)
Canada	31		Pre-COP13 regional meetings (delegates support and meeting costs for preparatory meetings)
Norway	7		Pre-COP13 regional meetings (delegates support and meeting costs for preparatory meetings)
MAVA	141	Conservation of the natural and cultural heritage in wetlands	
Japan	87	Nagao Wetland Fund	
United States of America*	41	World Wetlands for the Future project	
Total	420		

* Includes CHF 4K of other income. The Voluntary Contribution of the United States of CHF 1,065,799 to the 2017 core budget is shown in SC54-7.2.

17. In addition, Star Alliance provided an in-kind contribution of flight tickets with a total value of CHF 24,133 (EUR 20,911) in 2017.
18. For Danone, a total of EUR 222,000 relating to 2017 was received in 2018. Danone's shifting in priorities resulted in reduced funding for World Wetlands Day from CHF 92,500 in 2017 to CHF 42,500 in 2018 and CHF 28,080 in 2019. Alternative sources of non-core funding for World Wetlands Day activities and the Ramsar Awards should these be continued will need to be secured for the next years.
19. For 2018, CHF 2K from Canada and CHF 100K from Switzerland are pledged for the pre-COP meetings, at the time this original document was finalized. Switzerland authorized the Secretariat to use CHF 100K of the old balance in the "Admin" project related to the Swiss funding for that purpose (a detailed report on this Admin project was provided to SC53 and

balance from Swiss Grant for Africa was reported to the donor in May 2017). Finland has pledged EUR 10K for CEPA and STRP activities in 2018.

20. The Secretariat would like to express its sincere appreciation to Contracting Parties and donors for voluntary contributions to non-core activities of the Convention.

African voluntary contributions

21. Voluntary contributions of CHF 14,275 were received from Contracting Parties in the Africa region, relating to 2017 and prior years. Together with the CHF 2K of “old” balances which were transferred to the African Voluntary Contribution project in 2017, upon authorization by the Subgroup on Finance (part e) of the draft report of the Meeting of the Subgroup on Finance, 30 May, 1 and 2 June 2017, this brings the balance of total African voluntary contributions available as of 31 December 2017 to CHF 31K (see Annex 3).
22. Resolution X.2 paragraph 23 stipulates that these contributions must be specifically earmarked for African Regional Initiatives. Decision SC53-37 instructs the Secretariat to seek advice from the Africa region on the allocation of the 2016 balance. Given that there is no formal mechanism to get a decision from the African region on the use of these funds, the Secretariat asks further guidance from the Standing Committee through a decision on how to allocate these resources. The proposal of the Secretariat is to use this balance for the support of African sponsored delegates to the Conference of the Parties, see table 3 below.

Core budget 2018

23. An overview over the 2018 budget approved by COP12 is provided in Annex 4. This Annex includes the use of 2016 surplus of CHF 112K in 2018 as authorized by Decision SC53-29 – CHF 57K for a part-time Accounting Assistant and CHF 55K for Planning and Capacity-building in 2018.
24. The Secretariat proposes some shifts from the budget approved by the COP as follows. As in 2017, the Secretariat proposes to shift CHF 180K in salary costs from Communications to Science and Policy in order to reflect the current Secretariat positions. The Secretariat further proposes to shift CHF 5K in travel budget from the salary line of Resource Mobilization and Outreach to travel of Science and Policy to allow for the Director, Science and Policy and the STRP Chair to travel. From the same line, the Secretariat proposes to shift CHF 10K to travel of Regional Advice and Support to cover the 2017 deficit in that line.
25. Under G. Administration, due to anticipated changes in staff in 2018, there is a projected higher need for staff hiring and departure costs thus the Secretariat proposes to add CHF 45K, taking the projected over-expenditure of CHF 15K in 2017 to be carried-forward to 2018 into account. Furthermore, since IUCN has implemented a travel implant office effective 1 January 2018 for issuing tickets for official travel for Ramsar and IUCN staff, the costs of this implant of up to CHF 20K per year need to be covered by the Ramsar core budget. The additional costs will be off-set by a decrease in travel costs as there will be no longer a ticketing fee charged for each ticket. Further, since Ramsar is following IUCN procurement policies it is expected that the use of the implant will also lead to economies of scale for Ramsar rather than Ramsar doing its own procurement exercise. The functioning and effectiveness of the implant will be evaluated in due course. To cover the projected over-expenditure in provisions of CHF 87K in 2017 when transferring funds from 2017 to 2018, at least CHF 80K need to be added to the provisions in 2018.

26. To cover these proposed increases in budgetary allocations for 2018, the Secretariat proposes to decrease funding for web support and development as well as the funds available for RSIS maintenance and development by CHF 40K each, considering that both of these will require less funding in future and considering that both budget lines have savings for 2017 which are proposed to be carried-forward into 2018. Also, for 2018, it is proposed to decrease the salary line for Resource Mobilization and Outreach by CHF 80K considering the proposed carry-forward of the savings of CHF 122K from 2017 to 2018 resulting from the partly vacant position in 2017. The latter therefore is a one-time saving in 2018.
27. There is also an un-allocated balance of CHF 44K resulting from the un-allocated balance of 2016 surplus as per Decision SC53-29 (see Annex 4). The Secretariat proposes to reserve this as a contribution for future costs for the Review of the Strategic Plan in the 2019-2021 triennium (see document Doc. SC54-8); as per the overview provided in Table 4.

Review of non-core balances

Status of COP13 and pre-COP funding

28. The Secretariat has the challenging task of fundraising for both COP13 and five pre-COP meetings at the same time and wishes to thank all Contracting Parties who have made contributions to the pre-COP meetings (see table 2). For the pre-COP meetings, funding of CHF 179K was available (see table 3 below), from a total need of CHF 287K to run the meetings and sponsor travel for eligible delegates. This left a funding gap of CHF 108K (see table 4 below). This gap is divided amongst the regions in the following way: CHF 15K for Africa, CHF 40K for Asia and CHF 53K for the Americas. On 23 January 2018, the Secretariat sent a request to the Executive Team to authorize to use the old balances of CHF 81K foreseen for COP (49K) and SC (32K) for the pre-COP meetings (see table 4). These CHF 81K are part of the CHF 114K “old” balances that the Subgroup on Finance authorized to be transferred from the “Admin” project to activities they were originally intended for (see paragraph e) of the Draft Report of the Meeting of the Subgroup on Finance (30 May, 1 and 2 June 2017)). The Secretariat further proposed to use up to CHF 60K of 2016 surplus set aside in case needed and availability of funds for Regional Initiatives (Decision SC53-29). Upon recommendation by the Executive team, the Secretariat made the request to the Subgroup on Finance on 6 February 2018. The request was approved on 10 February 2018 and the Secretariat has taken the necessary actions.

Table 3: Pre-COP 13 funding status (in '000 CHF)

Total funding required	287	
Total funding raised	179	32 Pre-COP interpretation authorized by SC53 (from 2016 core surplus) 147 Contributions from Contracting Parties received / pledged (see table 3)
Remaining funding gap	108	

29. For COP 13, the Secretariat estimates a total funding need of CHF 600K. The Secretariat will do its best to mobilize resources to support sponsored delegates to participate in the meeting. However, given the challenge of fundraising for both COP and five pre-COP meetings in the same year and engaging, in some cases, the same donors, the Secretariat considers that it is unlikely that funds will be raised to meet the total funding needs. Therefore, the Secretariat

believes that it is important to identify contingency options to ensure that all Parties can participate at COP13. The Secretariat has identified existing balances in Table 4 below and proposes that the Standing Committee authorize the use of these balances for travel of delegates to the COP should there be a gap. The balances are estimated to be CHF 309K and are presented in Table 4. The Secretariat encourages Contracting Parties to make voluntary contributions towards the travel of sponsored delegates to COP13 to ensure full participation at COP13.

Small Grants Fund

30. Resolution XII.1 requests that the Standing Committee review the operation of the Small Grants Fund during the triennium and definitively conclude whether the Parties should continue or cease the Small Grants Fund for the consideration of the 13th meeting of the Conference of the Contracting Parties.
31. The Secretariat provides the following information to facilitate this review;
 - a. No contributions have been made to the Fund since 2012;
 - b. Some Contracting Parties have developed programs to provide financial support for national projects focused on the conservation and wise use of wetlands fulfilling donor-specific requirements. These include the Swiss Grant for Africa (SGA) and the Wetlands for the Future Fund (WFF), funded by the governments of Switzerland and the United States respectively. These programs replicate the intent of the Small Grants Fund;
 - c. Contracting Parties which are donor countries have been making contributions directly to projects given the donor shift towards results-driven and value-for-money approaches, making it more difficult to raise pooled funding to be used under rules and priorities set up by another body. This has had an impact on the effectiveness of the fund as a vehicle for assisting developing countries in the conservation and wise use of their wetlands;
 - d. There are multilateral funds such as the Global Environmental Facility (GEF) and the Green Climate Fund (GCF) in place, which are widely known instruments;
 - e. No proposal from Contracting Parties for grants has been received since 2015 when Decision SC48-12 requested the Secretariat to not launch a call for Small Grants Fund proposals;
 - f. The administrative burden of requesting and implementing a grant by Contracting Parties is considered high;
 - g. The administrative burden for the Secretariat of managing the grants process and the grants themselves is high;
 - h. The long term viability of the fund will require both ongoing financial commitments from Contracting Parties and dedicated time from Secretariat staff to actively fundraise for the fund;
 - i. There is currently an unspent balance of CHF 137K in the fund.

32. The Secretariat proposes that the Standing Committee at its 54th meeting consider the above points and take a decision regarding whether the Small Grants Fund programme should continue or cease and that this decision be included in the draft resolution on financial matters, to be considered at 13th meeting of the Conference of the Parties. The Standing Committee is further invited to provide guidance to the Secretariat as to how the balance of CHF 137K should be allocated if the decision was to cease the small grants programme (see table 4).

Review of non-core balances and proposal for their use

33. The Secretary General reviewed the financial management of the Secretariat and reported issues of concern and an action plan to the Executive Team, FWG, SC53 and the auditors. A main issue was the management of non-core funds. The Secretariat has continued the implementation of its action plan and has put in place a more structured and transparent approach to the use of non-core funding and balances. The internal review of old non-core projects has continued and during 2017, necessary closing actions were undertaken and as a result, 35 projects have been closed in the financial system. Improvements are also being made in the processes and procedures as well as in the system, in close cooperation with IUCN. The following identified balances are presented for consideration of SC54 and summarized in Table 4 below.
34. The WACOWET Regional Initiative core-funding finished in 2009 and the balance has been in the books since. At the end of 2017, the balance is CHF 49K (see Annex 4). Of this, CHF 20K relate to unused African Voluntary Contributions. The Secretariat proposes to transfer these CHF 20K back to the African Voluntary Contributions. Secretariat invites the Standing Committee to decide on the use of the remaining balance of CHF 29K.
35. Funding for the East Africa Centre ceased a few years back with a closing balance of CHF 27K (see Annex 3). The Standing Committee is invited to decide on the use of these funds.
36. As per the recommendation of the Subgroup on Finance (see paragraph 10 of the draft report of the Meeting of the Subgroup on Finance (30 May, 1 and 2 June 2017)), the Secretariat is proposing to use the “old” balance in the “admin” project relating to COP priorities as per Resolution XII.1 of CHF 116K for the travel of sponsored delegates to COP13.
37. Table 4 below summarizes all the identified balances for consideration and decision by the Standing Committee. As mentioned in paragraph 32, owing to the challenges faced in fundraising for pre-COPs and COP at the same time, the Secretariat proposes to use balances that have not yet been reallocated to support travel of sponsored delegates to COP13. In addition, it is proposed to use these balances to complete the needed budget for the review of the 2019-2021 Strategic Plan, an additional amount of CHF 6,000 (see paragraph 27 above).

Table 4: Proposed use of balances of non-core funds

Name of project	Balance as at 31 December 2017 (in '000 CHF)	Proposed use of balance
WACOWET Regional Initiative	49	To be decided by SC54 (29K), Transfer to African Voluntary Contributions (20K)
East Africa Centre	27	To be decided by SC54*
Small Grants Fund	137	To be decided by SC54*
Balance in admin project earmarked for COP priorities	116	To be decided by SC54*
Balance African Voluntary Contributions	29	To be decided by SC54*
"Old" balance earmarked for COP (after transfer from admin project to COP project authorized by Subgroup on Finance, par e of the draft report of the Meeting of the Subgroup on Finance (30 May, 1 and 2 June 2017))	49	To be used for pre-COP meetings 2018, as per authorization of Subgroup on Finance on 10 February 2018
"Old" balance earmarked for SC (after transfer from admin project to SC project authorized by Subgroup on Finance, par e of the draft report of the Meeting of the Subgroup on Finance (30 May, 1 and 2 June 2017))	32	To be used for pre-COP meetings 2018, as per authorization of Subgroup on Finance on 10 February 2018
Surplus 2016 set-aside in case needed and availability of funds for Regional Initiatives (Decision SC53-29)	60	27 of the 60 to be used for pre-COP meetings 2018, as per authorization of the Subgroup on Finance on 10 February 2018
Un-allocated 2016 surplus (Decision SC53-29)	44	Could be reserved for future costs for the Strategic Plan in the 2019-2021 triennium
Total	543	

* see recommendation of the Secretariat to prioritize funding sponsored delegates to COP13

38. In addition, Decision SC53-33, requested the Secretariat to take steps to conduct an external review of non-core projects. The Secretary General asked the IUCN Oversight Unit to undertake this management and financial review. The review is taking place and results will be communicated to the Contracting Parties upon its finalization. The external auditors received favourably this initiative.

Management of non-core funding by the Secretariat

39. The management of non-core funds has historically been *ad hoc* and, on occasions, not compliant with IUCN human resources and financial policies. As for other areas of work, the Secretariat seeks to align its practices with IUCN policies and procedures. When there is a need to establish capacity, IUCN's guidance is that for specific, time-bound and short term tasks, the Secretariat should secure this capacity through consultants. For tasks that require full-time and longer term capacity, IUCN's policy is that project staff has to be hired in line with IUCN Human Resources policy. This implies that project staff will be employed under the same conditions as core staff, but that contracts would terminate once the project is completed.
40. Similarly, the management of indirect/overhead costs or management fees also requires alignment with IUCN policies. In line with IUCN Project Budgeting Guidelines, the Ramsar Secretariat charges management fees to cover indirect/overhead costs, to avoid that these

costs be borne by the core budget. According to IUCN's policies, these fees should be used in activities that relate to programme support (e.g. administration, legal advice, training, fundraising, evaluation, etc.) and communications. They could also be used if the project resulted in additional IUCN fees related to the project. The Secretariat proposes to implement this approach for the use of ongoing and future indirect/overhead costs or management fees and existing balances.

Annex 1

Audited financial statements as of 31 December 2016 (Swiss reporting format)

I. Balance sheet as of 31 December

	Notes	2016	2015
<i>in thousands of Swiss Francs (CHF '000s)</i>			
ASSETS			
Current assets			
Cash and short term bank deposits		4,599	4,652
Contracting Party receivables (net)	6	624	658
Other account receivables	7	98	88
Total current assets		5,321	5,398
Total non-current assets	9	21	34
TOTAL ASSETS		5,342	5,432
LIABILITIES AND FUND BALANCES			
Current liabilities			
Amount owe to IUCN		277	775
Other Payables	8	766	630
Accrued liabilities		111	293
Total current liabilities		1,154	1,698
Provisions			
Staff repatriation	5	120	124
Staff leave	5	100	165
Staff termination	5	89	227
Total provisions		309	516
Fund and Reserves			
Unrestricted reserve fund	11	1,270	372
Restricted Projects	12	2,609	2,846
Total fund and reserves		3,879	3,218
TOTAL LIABILITIES AND FUND BALANCES		5,342	5,432

II. Statement of income and expenditure for the year ended 31 December

<i>in thousands of Swiss Francs (CHF '000s)</i>	Notes	2016			2015		
		Core Funds	Restricted Projects	Total	Core Funds	Restricted Projects	Total
Income							
<i>External income:</i>							
Contributions from Contracting Parties		3,779		3,779	3,779	-	3,779
US voluntary contributions		1,066	76	1,142	1,066	84	1,150
African voluntary contributions			14	14	1	8	9
Project income			625	625	-	1,125	1,125
Swiss tax rebates	10	172		172	222	-	222
Total external income		5,017	716	5,733	5,068	1,217	6,285
Transfer between core and projects		(277)	277	-	(287)	287	-
Total Income		4,740	993	5,733	4,781	1,504	6,285
Expenditure							
<i>Operating expenditure:</i>							
Communications (Outreach)		(460)	(184)	(644)	(590)	(443)	(1,034)
Regional Advice, Initiatives and Support		(1,242)	(418)	(1,660)	(1,230)	(324)	(1,554)
Scientific and Technical Services Partnerships		(146)	(10)	(156)	(158)	(15)	(173)
Management, Operations and Support		(2,164)	(70)	(2,234)	2,426)	(1,484)	(3,910)
Total operating expenditure		(4,011)	(1,115)	(5,126)	(4,655)	(2,793)	(7,448)
Net Surplus/(Deficit) before Financial Income/Expenditures		729	(122)	607	126	(1,289)	(1,163)
<i>Other income (expenditures):</i>							
Financial income	4	127	7	135	74	14	88
Financial expenses	4	4	(122)	(119)	(329)	(10)	(339)
Provisions and write-offs (expense)		37	-	37	(208)	-	(208)
Total other income/expenditures		169	(115)	54	(463)	4	(459)
Net Surplus/(Deficit) after Financial Income/Expenditures		898	(237)	661	(337)	(1,285)	(1,622)

STATEMENT OF FUND BALANCE for the year ended 31 December

<i>in thousands of Swiss Francs (CHF '000s)</i>		Preliminary 2016			2015		
		Core Funds	Restricted Projects	Total	Core Funds	Restricted Projects	Total
Fund balance at the beginning of the year		372	2,846	3,218	709	4,131	4,840
Net income / (expenditure) for the year	11	898	(237)	661	(337)	(1,285)	(1,622)
Transfer (from) to reserve fund		-	-	-	-	-	-
Fund balance at the end of the year		1,270	2,609	3,879	372	2,846	3,218

III. Cash Flow Statement for the year ended 31 December 2016

<i>in thousands of Swiss Francs (CHF '000s)</i>	2016	2015
Cash flow from operations		
Surplus/(Deficit) from Operations	661	(1,622)
Depreciation of fixed assets	15	17
Increase / (decrease) in provisions for membership dues in arrears	(37)	208
Increase / (decrease) in staff leave and repatriation liabilities	(69)	38
Increase / (decrease) in the provision for staff termination	(138)	99
(Increase) / decrease in membership dues receivables (gross)	72	(406)
Increase / (decrease) in payables to partner organisations	(498)	261
(Increase) / decrease in other accounts receivable	(10)	(81)
Increase / (decrease) in membership dues paid in advance	(52)	(146)
Increase / (decrease) in accounts payable and accrued liabilities	15	(194)
Increase / (decrease) in social charges payable	(9)	45
Total Cash flow from operations	(51)	(1,781)
Cash flow from investing activities		
Purchase of fixed assets	(2)	(10)
Total Cash flow from investing activities	(2)	(10)
Net Cash inflow/(outflow) for the year	(53)	(1,791)
Cash and short term deposits at the beginning of the year	4,652	6,443
Cash and short term deposits at the end of the year	4,599	4,652

Annex 1, Appendix A: Projects financed by restricted funds, for the period of 1 January 2016 to 31 December 2016 (CHF '000s, includes rounding errors)

		Balance (deficit) at 31 December 2015	Income during 2016	Expenditure during 2016	Project Transfers and Cross charges	Balance (deficit) at 31 December 2016
		(DR)/CR	(DR)/CR	(DR)/CR	(DR)/CR	(DR)/CR
International Cooperation						
R100159	SGF-2009	60	-	-	-	60
R100160	SGF 2010	53	-	-	-	53
R100161	SGF-2011	39	0	(16)	-	23
R100163	SGF-2013	28	0	(28)	-	0
R100263	SGA-2013	17	-	-	(17)	-
R100266	SGA-2016	-	120	(68)	-	52
R100350	WFF-Exchange	87	0	(85)	-	3
R100356	WFF-2006	-	-	(0)	-	(0)
R100362	WFF-2012	128	0	(23)	-	105
R100363	WFF-2013	(17)	-	-	-	(17)
R100364	WFF-2014	97	-	-	-	97
R100365	WFF - 2015 & 2016	84	76	-	-	160
R100407	RI Central Asia (Norway)	9	0	(6)	-	3
R100408	Nagao Wetland Fund (NEF Japan)	-	92	(0)	-	91
R100809	Danone Ecole de l'eau	21	-	-	-	21
R100814	Danone 2014	30	-	-	-	30
R100819	Danone Spring	10	-	-	-	10
Total of International Cooperation		647	289	(227)	(17)	692
Listed Sites						
R100110	RAM	60	47	(18)	-	90
Total of Listed Sites		60	47	(18)	-	90
Other						
R100100	Admin	625	6	122	112	865
R100102	RSIS redevelopment	102	11	(123)	47	36
R100103	Web redevelopment	53	0	(61)	70	62
R100104	Development	10	0	(2)	-	7
R100105	Science Review	33	-	-	-	33
R100106	Strategic Plan 2016	18	-	(0)	-	18
R100107	SC48 translation/interpretation	18	-	14	(32)	-
R100108	COP12 Translation (FOEN-CH)	59	-	(14)	-	45
R100109	SC51	6	-	(10)	4	-
R100190	Water cycle	11	-	-	-	11
R100210	WA Urbanisation	16	-	-	-	16
R100310	Americas - Admin	-	-	(1)	-	(1)
R100311	Rio Cruces	197	-	(88)	-	110
R100402	Bhutan	(10)	-	-	-	(10)
R100403	AIT/JAPAN/MYANMAR	2	-	-	-	2
R100404	KOREA/WETLAND CENTRES	3	-	-	-	3
R100405	RI Central Asia (Japan)	4	-	(3)	-	1
R100406	WWF Grant, WWD Korea	(7)	5	(1)	1	(1)
R100622	COP11 - RM Africa	7	-	-	(7)	-
R100630	COP12 Admin budget	128	(80)	(7)	(40)	-
R100631	COP - Delegate Support	(28)	30	-	-	2
R100815	Danone 2015	6	-	(16)	3	(6)
R100816	Danone 2016	(5)	271	(152)	-	114
R100902	STRP 2009-2011	11	-	-	-	11
R100903	STRP 2013-2015	113	-	-	-	113
R100904	STRP 2016-2018	-	0	(10)	40	30
R100910	TEEB	39	-	-	-	39
R101000	SSFA, Expert Group on Water Cycle	26	-	-	(5)	21
R101001	WCMC, Online National Report Format	57	0	(20)	(24)	13
R101002	NORAD 2015	453	6	(398)	(19)	42
R101003	MAVA 13-32	70	125	(129)	-	65
R101004	UNEP, Law and Environment Outlook	-	-	(3)	-	(3)
R101005	Wetlands Extent Trends (WET) Index	-	-	-	24	24
Total of Other		2,016	373	(904)	173	1,659

		Balance (deficit) at 31 December 2015	Income during 2016	Expenditure during 2016	Project Transfers and Cross charges	Balance (deficit) at 31 December 2016
Regional Initiatives						
R100132	RI - WACOWET	49	-	-	-	49
R100133	RI - CARIWET	26	0	(30)	-	(4)
R100135	RI - Mangrove	9	-	(10)	-	(1)
R100137	RI - East Africa Centre	27	-	-	-	27
R100138	RI - Niger River Basin Network	8	-	(8)	1	-
R100139	RI - Carpathian Wetlands Initiative	3	-	(3)	-	-
R100141	RI - Black and Azov Sea Coast	3	-	(3)	-	-
R100142	RI - Amazon River Basin	-	-	-	30	30
R100143	RI - Central Asia	-	-	(18)	30	12
R100144	RI - Indo-Burma	-	-	-	30	30
R100145	RI - Senegal River Basin	-	-	(18)	30	12
R100200	AVC, African Regional Initiatives	-	14	(0)	-	14
Total of Regional Initiatives		123	14	(89)	121	169
Grand Total		2,846	723	(1,237)	277	2,609

Annex 2: 2017 Core Results for the period 01 January – 31 December 2017

('000 CHF, includes possible rounding differences)

Ramsar Combined Budget SC53 Approved	Approved Budget 2017	Authorised use of 2016 surplus in 2017 and authorised shift in travel budget	Total available budget 2017	Expenditure 2017	Balance
CHF 000'S	(A)	(B)	(C) = (A) + (B)	(D)	(C) - (D)
INCOME					
Parties' Contributions	3,779	0	3,779	3,779	0
Voluntary contributions	1,065	0	1,065	1,066	(1)
Income Tax	225	0	225	215	10
Other Income (including Interest Income)	12	0	12	5	7
TOTAL INCOME	5,081	0	5,081	5,064	17
EXPENDITURES					
A. Secretariat Senior Management	798	0	798	695	103
Salaries and social costs	674	0	674	631	43
Other employment benefits	79	0	79	19	60
Travel	45	0	45	45	0
B. Resource Mobilization and Outreach	250	0	250	66	184
Salaries and social costs	188	0	188	66	122
Other employment benefits	52	0	52	0	52
Travel	10	0	10	0	10
C. Regional Advice and Support	1,342	90	1,432	1,292	140
Salaries and social costs	1,201	0	1,201	1,118	83
Other employment benefits	56	0	56	63	(7)
Travel	85	0	85	96	(11)
Ramsar Advisory Missions	0	90	90	13	77
D. Support to Regional Initiatives	120	0	120	92	28
Activity 1: Senegal Basin	30	0	30	30	0
Activity 2: Amazon Basin	30	0	30	2	28
Activity 3: Central Asia	30	0	30	30	0
Activity 4: Indo-Burma	30	0	30	30	0
E. Scientific and Technical Services	392	0	392	309	83
Salaries and social costs	290	0	290	209	81
Other employment benefits	2	0	2	2	0
Travel	10	0	10	14	(4)
STRP implementation	40	0	40	23	17
STRP meetings	50	0	50	61	(11)
F. Communications	389	1	389	334	55
Salaries and social costs	254	0	254	251	3
Other employment benefits	0	0	0	0	(0)
Travel	5	0	5	9	(4)
CEPA Program	30	0	30	0	30
Comms, Translations, Publications and Reporting Implementation	100	0	100	74	26
G. Administration/RSIS/Web	896	109	1,005	751	254
Salaries and social costs	629	99	728	624	104
Other employment benefits	5	0	5	2	3
Staff hiring and departure costs	25	0	25	40	(15)
Travel	0	0	0	0	0
Ramsar Sites Information Service (maintanance and develop)	117	10	127	57	70
Web/IT support and Development	120	0	120	28	92
H. Operating Costs	94	55	149	122	27
General	79	0	79	73	6
Equipment/Office Supplies	15	0	15	19	(4)
Planning and Capacity building	0	55	55	29	26
I. Standing Committee Services	150	40	190	155	35
Standing Committee delegates' support	45	0	45	46	(1)
Standing Committee meetings	10	0	10	19	(9)
SC translation	60	0	60	50	10
Simultaneous interpretation at SC meetings	35	0	35	27	8
Other meetings	0	40	40	14	26

Ramsar Combined Budget SC53 Approved	Approved Budget 2017	Authorised use of 2016 surplus in 2017 and authorised shift in travel budget	Total available budget 2017	Expenditure 2017	Balance
CHF 000'S	(A)	(B)	(C) = (A) + (B)	(D)	(C) - (D)
J. IUCN Administrative Service Charges (maximum)	540	0	540	519	21
Administration, Human Resources, Finance & IT services	540	0	540	519	21
K. Miscellaneous - Reserve Fund	110	0	110	198	(88)
Provisions	50	0	50	138	(88)
Legal Services	60	0	60	60	(0)
TOTAL EXPENDITURES	5,081	294	5,375	4,533	842
SURPLUS/(DEFICIT)				531	825

Annex 3: Projects financed by restricted funds for the period 01 January 2017 - 31 December 2017

('000), includes possible rounding differences

		Balance (deficit) at 31 December 2016	Income during 2017	Expenditure during 2017	Project Transfers and Cross charges	Balance (deficit) at 31 December 2017
		(DR)/CR	(DR)/CR	(DR)/CR	(DR)/CR	(DR)/CR
International Cooperation						
R100159	SGF-2009	60	-	-	-	60
R100160	SGF 2010	53	-	-	-	53
R100161	SGF-2011	23	-	-	-	23
R100163	SGF-2013	0	-	1	-	1
R100266	SGA-2016	52	-	1	(4)	49
R100350	WFF-Exchange	3	0	(11)	8	-
R100362	WFF-2012	105	(0)	(38)	(33)	35
R100363	WFF-2013	(17)	-	(8)	25	-
R100364	WFF-2014	97	0	(48)	-	49
R100365	WFF - 2015 - 2017	160	41	-	-	201
R100407	RI Central Asia (Norway)	3	(0)	0	-	3
R100408	Nagao Wetland Fund (NEF Japan)	91	87	(66)	(8)	104
R100809	Danone Ecole de l'eau	21	-	-	-	21
R100814	Danone 2014	30	-	(0)	-	30
R100819	Danone Spring	10	-	(1)	-	9
Total of International Cooperation		692	128	(170)	(12)	638
Listed Sites						
R100110	RAM	90	81	(73)	-	98
Total of Listed Sites		90	81	(73)	-	98
Other						
R100100	Admin	865	4	(0)	(74)	795
R100102	RSIS redevelopment	36	-	(20)	23	39
R100103	Web redevelopment	62	-	2	-	64
R100104	Development	7	0	-	-	7
R100105	Science Review	33	-	-	-	33
R100106	Strategic Plan 2016	18	-	-	-	18
R100108	COP12 Translation (FOEN-CH)	45	-	-	-	45
R100190	Water cycle	11	-	-	-	11
R100210	WA Urbanisation	16	-	-	-	16
R100310	Americas - Admin	(1)	-	-	1	-
R100311	Rio Cruces	110	2	-	-	112
R100402	Bhutan	(10)	-	-	-	(10)
R100403	AIT/JAPAN/MYANMAR	2	-	-	(2)	-
R100404	KOREA/WETLAND CENTRES	3	-	-	(3)	-
R100405	RI Central Asia (Japan)	1	-	(1)	-	-
R100406	WWF Grant, WWD Korea	(1)	-	(3)	-	(4)
R100631	COP - Delegate Support	2	-	-	(2)	-
R100637	COP-2018	-	-	-	49	49
R100638	SC-Standing Committee	-	-	-	32	32
R100700	CEPA	-	-	-	9	9
R100815	Danone 2015	(6)	-	6	-	-
R100816	Danone 2016	114	-	(172)	(5)	(62)
R100902	STRP 2009-2011	11	-	-	(11)	0
R100903	STRP 2013-2015	113	-	-	(113)	0
R100904	STRP 2016-2018	30	0	(20)	124	133
R100910	TEEB	39	-	-	-	39
R101000	SSFA, Expert Group on Water Cycle	21	-	(23)	-	(3)
R101001	WCMC, Online National Report Format	13	0	0	-	14
R101002	NORAD 2015	42	0	(15)	-	27
R101003	MAVA 13-32	65	141	(130)	(15)	61
R101004	UNEP, Law and Environment Outlook	(3)	-	3	-	-
R101005	Wetlands Extent Trends	24	-	(24)	-	-

		Balance (deficit) at 31 December 2016	Income during 2017	Expenditure during 2017	Project Transfers and Cross charges	Balance (deficit) at 31 December 2017
		(DR)/CR	(DR)/CR	(DR)/CR	(DR)/CR	(DR)/CR
	(WET) Index					
R117100	UNEP Infomea Project funds	-	25	(20)	(6)	-
R118100	Ramsar Pre COP 13-FUNDS All Parties	-	45	0	-	45
Total of Other		1,659	218	(417)	10	1,470
Regional Initiatives						
R100132	RI - WACOWET	49	-	-	-	49
100133	RI - CARIWET	(4)	-	-	-	(4)
R100135	RI - Mangrove	(1)	-	-	-	(1)
R100137	RI - East Africa Centre	27	-	-	-	27
R100142	RI - Amazon River Basin	30	0	(21)	-	9
R100143	RI - Central Asia	12	-	(12)	-	-
R100144	RI - Indo-Burma	30	-	(30)	-	-
R100145	RI - Senegal River Basin	12	-	(12)	-	-
R100200	AVC, African Regional Initiatives	14	15	(0)	2	31
Total of Regional Initiatives		169	15	(75)	2	112
Grand Total		2,609	442	(734)	(0)	2,317

Annex 4: Proposed Core Budget 2018

CHF 000'S	Budget 2018 (COP12-approved)	Authorized use of 2016 surplus in 2018 *	Proposed re-allocation 2018	Transfer of 2017 unspent balances	Proposed budget 2018 after reallocation
INCOME					
Parties' Contributions	3,779				3,779
Voluntary contributions	1,065				1,065
Income Tax	225				225
Income Interest	12				12
TOTAL INCOME	5,081	0	0		5,081
EXPENDITURES					
A. Secretariat Senior Management	798	0	0	103	901
Salaries and social costs	674			43	717
Other employment benefits	79			60	139
Travel	45				45
B. Resource Mobilization and Outreach	250	0	(80)	167	337
Salaries and social costs	188		(80)	105	213
Other employment benefits	52			52	104
Travel	10			10	20
C. Regional Advice and Support	1,342	0	10	140	1,492
Salaries and social costs	1,201			83	1,284
Other employment benefits	56			(7)	49
Travel	85		10	-11	84
Ramsar Advisory Missions				77	77
D. Support to Regional Initiatives	120		0	28	148
Regional networks and centers	120			28	148
E. Science and Policy	212	0	185	83	480
Salaries and social costs	110		180	81	371
Other employment benefits	2				2
Travel	10		5	(4)	11
STRP implementation	40			17	57
STRP meetings	50			(11)	39
F. Communications	569	0	(180)	55	444
Salaries and social costs	434		(180)	3	257
Other employment benefits	0		0		0
Travel	5			(4)	1
CEPA Program	30			30	60
Comms, Translations, Publications and Reporting Implementation	100			26	126
G. Administration/RSIS/Web	896	57	(35)	254	1,172
Salaries and social costs	629	57		104	790
Other employment benefits	5			3	8
Staff hiring and departure costs	25		45	(15)	55
Travel					0
Web/IT support and Development	120		(40)	70	150
Ramsar Sites Information Service (maintanance and develop)	117		(40)	92	169
H. Operating Costs	94	55	0	27	176
General	80			6	86
Equipment/Office Supplies	14			(4)	10
Planning and Capacity building		55		26	81

CHF 000'S	Budget 2018 (COP12-approved)	Authorized use of 2016 surplus in 2018 *	Proposed re-allocation 2018	Transfer of 2017 unspent balances	Proposed budget 2018 after reallocation
I. Standing Committee Services	150	0	0	35	185
Standing Committee delegates' support	45			(1)	44
Standing Committee meetings	10			(9)	1
SC translation	60			10	70
Simultaneous interpretation at SC meetings	35			8	43
Other meetings				26	26
J. IUCN Administrative Service Charges (maximum)	540	0	20	21	581
Administration, Human Resources, Finance & IT services	540		20	21	581
K. Miscellaneous - Reserve Fund	110	0	80	(88)	102
Provisions	50		80	(88)	43
Legal Services	60		0	(1)	59
TOTAL EXPENDITURES **	5,081	112	0	825	6,018

* See SC53-29. Out of CHF 510K 2016 surplus, CHF 112K allocated to 2018; un-allocated balance of 2016 surplus of CHF 44K proposed to be set aside for Strategic Plan in 2019-2021 triennium

** Shortfall in income of CHF 17K deducted from carry-forward of salary of Director, Resource Mobilization and Outreach (CHF 122K - CHF 17K = CHF 105K) coming to overall transfer of unexpended balance of CHF 842K (unexpended appropriations) - CHF 17K (shortfall in income) = CHF 825K (see also Annex 2)