

Financial and budgetary matters
Budget scenarios for 2019-2021 and
draft resolution on financial and budgetary matters

Actions requested:

The Standing Committee is invited to:

- i. take note of the contents of this report;
- ii. confirm the budget scenarios to be presented at the 13th meeting of the Conference of the Contracting Parties;
- iii. consider the proposed draft resolution on financial and budgetary matters.

1. The Secretariat of the Convention on Wetlands has prepared three core budget scenarios for consideration by the Standing Committee. It also seeks confirmation about the scenarios to be presented to the Conference of the Parties. In addition to the core budget, the Ramsar Secretariat will seek additional non-core funding when necessary.

Core budget scenarios for the 2019-2021 triennium (Annex 1)

2. For 2019-2021, three core budget scenarios are proposed in Annex 1, which do not include any funding requests from draft resolutions submitted. The three scenarios are:
 - a. 0% increase as compared to the 2016-2018 triennium budget (scenario A);
 - b. 2.9% increase (CHF 455K) compared to the 2016-2018 triennium, implying an increase of contributions of Contracting Parties of 2.7% (scenario B);
 - c. 4.3% increase (CHF 691K) compared to the 2016-2018 triennium, implying an increase of contributions of Contracting Parties of 4.2% (scenario C).

The core budget details per department / category have been retained to help Contracting Parties see the specifics of how their assessed contributions will be spent.

3. The **0% scenario (A)** includes the following assumptions, which apply to scenarios B and C, unless indicated otherwise:

- a. Full Swiss Franc (CHF) contributions from all Contracting Parties are received, based on the UN scale of assessment, including a voluntary contribution of 22% from the United States of America;
 - b. Continuation of the current level of core funding for staffing.
 - c. Staff costs have been budgeted based on current actual costs in accordance with IUCN policy. Most UN-administered Conventions develop their budgets on the basis of standard costs and the Secretariat recommends moving in this direction. A provision has been included to build flexibility in case of changes in staff and their benefits;
 - d. In accordance with the new IUCN Human Resources guidelines on compensation, staff salaries include a performance-based increase that the Ramsar Secretariat will implement effective from 1 January 2019. Since 2011, salaries have remained the same within the Ramsar Secretariat. The inclusion in the budget of the provision for a possible salary increase responds to the application of IUCN policies and guidelines, as well as providing needed incentives to retain staff and reward good and outstanding performance;
 - e. Total salary and related costs represent around 69% of the total core budget;
 - f. Compared to the 2016-2018 triennium, Web / IT Support and Development (under Resource Mobilization and Outreach) is reduced by 131K to reflect the fact that the website has been revamped and therefore only maintenance and limited IT developments need to be budgeted for;
 - g. Ramsar Sites Information Service (RSIS) maintenance and development is reduced by 136K compared to the previous triennium since the development has been completed and mainly adjustments and maintenance are envisaged for the 2019-2021 triennium;
 - h. The IUCN Administrative Service Charge has been increased by 66K in order to reflect the additional costs charged by IUCN for the new travel implant office effective 1 January 2018. These additional costs are offset by the reduction in ticketing charges to the travel budget in line with IUCN policy;
 - i. As in the previous two triennia, CHF 120,000 per annum is budgeted for start-up funding for Regional Initiatives;
 - j. No funding is allocated from the core budget for Ramsar Advisory Missions and meetings of the Conference of the Parties or pre-COP regional meetings, as for 2016-2018 (except for inclusion of COP meeting costs in budget scenario C).
4. In the **2.9% scenario (B)**, the total increase in budget would be CHF 455K over the triennium amounting to a new budget total of CHF 15,697K, with the following additions compared to scenario (A):
- a. Increase of staff costs of 289K under administration, to include the 50% Accounting and Finance Assistant needed to complement the capacity under finance, as requested by SC53-30, and to include a provision for the rolling out of the new IUCN competency framework and promotion guidelines;

- b. Increase in STRP implementation costs of 15K for the triennium to include funds for travel of the STRP Chair;
 - c. Increase in funds for staff travel of 60K in order to reflect enhanced representation and engagement in policy processes from the Secretariat and distribution of thematic and leadership on policy processes across staff;
 - d. Inclusion of 135K for planning and capacity-building to ensure that: i) triennial and annual work plans are developed, tracked and assessed as part of a whole-of-Secretariat approach, and ii) Ramsar staff are adequately and regularly trained and up-to-date in their skills (representing around 1 to 1.5% of staff budget costs).
5. In the **4.3% scenario (C)**, the total increase in budget would be CHF 690K over the triennium amounting to a new budget total of CHF 15,933K. Scenario (C) includes the additions indicated in scenario (B), and also includes an allocation of CHF 236K in 2021 for costs associated with servicing COP14 (interpretation, translation, report writing, printing and conference facilities as well as conference operating costs). This is a standard inclusion in budgets for comparable conventions, such as the Convention on Migratory Species (which has budgeted EUR 307K for servicing its COP in 2020, and EUR 56K for staff travel to the COP) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (which has budgeted USD 912K for organization and servicing of its COP in 2019). Without this budgetary allocation, the costs must be covered by the host country.

Structure of the core budget scenarios

- 6. To maintain the current approach showing expenditures per department / category, the Secretariat proposes to maintain the same broad structure of the budget as that of the previous triennium.
- 7. The main proposed changes are:
 - a. Combining the previous areas of Partnership Coordinator and Communications to Resource Mobilization and Outreach as to reflect the current positions;
 - b. Budgeting staff in the department they currently work for as per table 1 below;
 - c. Budgeting for costs of budget lines such as Web Development and RSIS under the areas they belong to thematically;
 - d. In accordance with the practice of UN-administered Conventions, have one budget line for staff travel (shown under administration), with expenses being managed to implement the Work Plan and priorities established by Contracting Parties.

Table 1 reflects how the current core-funded positions are budgeted in the proposed scenarios, making explicit the allocation of salaries and benefits to the different budget lines.

Table 1: Current Staffing Table (scenario (A))

Secretariat Senior Management	1 S, 1 M2, 1 P2, 2 A3
Resource Mobilization and Outreach	1 M1, 1 P1, 1 A3
Regional Advice and Support	4 M1, 2 P1, 4 interns
Science and Policy	1 M1, 2 P1, 1 A3
Administration	1 P2, 1 P1 (50%)
Total	24 staff

Note: Levels as per IUCN HR policy and guidelines on position classification.

S = Secretary General; M1-M2 = management positions; P1-P2 = professional positions; A1-A3 = administrative support positions

Non-core funds to be raised

8. In addition to the core budget, non-core funding priorities for the Secretariat are decided by the Conference of the Parties. These include core areas of the Secretariat's work and priorities identified in the Resolutions adopted by the Conference of the Parties.

Draft resolution on financial and budgetary matters

9. The draft resolution for COP13 on financial and budgetary matters is annexed to the present document.

Draft Resolution 13.xx

Financial and budgetary matters

1. RECALLING the budgetary provisions established by paragraphs 5 and 6 of Article 6 of the Convention on Wetlands;
2. ACKNOWLEDGING WITH APPRECIATION the prompt payment by the majority of Contracting Parties of their contributions to the core budget of the Convention, but NOTING WITH CONCERN that a number of Parties are significantly in arrears (COP13 DOC.xx);
3. NOTING WITH GRATITUDE the additional voluntary financial contributions made by many Contracting Parties through their Ramsar Administrative Authorities and other agencies, including some development assistance agencies, and also the contributions made by non-governmental organizations and private companies for activities undertaken by the Secretariat, but NOTING WITH CONCERN the continuing decline in such voluntary contributions;
4. ACKNOWLEDGING WITH APPRECIATION the financial and administrative services provided to the Secretariat by IUCN, underpinned by the Services Agreement between Ramsar and IUCN, revised in 2009;
5. RECALLING the Delegation of Authority to the Secretary General of the Convention on Wetlands signed by the Director General of IUCN and the Chairman of the Standing Committee on 29 January 1993 and the Supplementary Note to Delegation of Authority signed on 29 January 1993;
6. NOTING that Contracting Parties have been kept informed of the financial situation of the Secretariat through the audited annual financial statements for the years from 2015 to 2017 and the reports of the Standing Committee meetings from 2016 to 2018; and
7. RECOGNIZING the need to continue to strengthen financial partnerships with relevant international organizations and other entities and to explore additional funding opportunities through their existing financial mechanisms;

THE CONFERENCE OF THE CONTRACTING PARTIES

8. ACKNOWLEDGES that, since the 12th meeting of the Conference of the Contracting Parties, in 2015, the Secretariat has managed the Convention's funds prudently, efficiently and openly;
9. EXPRESSES ITS GRATITUDE to the Contracting Parties that have served in the Subgroup on Finance of the Standing Committee during the triennium 2016-2018, and in particular to Senegal, which has acted as Chair of the Subgroup;
10. DECIDES that the Terms of Reference for the Financial Administration of the Convention contained in Annex 3 to Resolution 5.2 (Kushiro, 1993) shall be applied *in toto* to the 2019-2021 cycle;
11. FURTHER DECIDES that the Subgroup on Finance, as established by Resolution VI.17 (Brisbane, 1996), shall continue to operate under the aegis of the Standing Committee and with the roles and responsibilities specified in that Resolution;

12. NOTES that the 2019-2021 budget includes a core element funded by assessed contributions from Contracting Parties, and that the Secretariat will seek additional non-core resources in line with the priorities identified by the Conference of the Parties;
13. APPROVES the core budget for the triennium 2019-2021 as attached in Annex 1, to enable the implementation of the Strategic Plan of the Convention;
14. INSTRUCTS the Secretariat to seek non-core resources in line with the priorities identified by the Conference of the Parties, which include unfunded core areas of the Secretariat's work and priorities identified in the Resolutions adopted by the Conference of the Parties;
15. NOTES the alignment of the Secretariat with IUCN policies and procedures for managing non-core funding;
16. AUTHORIZES the Standing Committee, with the advice of its Subgroup on Finance, to revise core budgetary allocations between budget lines as may be required in the light of significant positive or negative changes during the cycle to costs, rates of inflation, interest and tax income projected in the budget, without increasing the assessed contributions of Parties or increasing the charges paid to IUCN above a maximum of 13% of the budget;
17. DECIDES that the contribution of each Contracting Party to the core budget should be in accordance with the most recent scale of assessments for the contribution of Member States to the United Nations budget as approved by the UN General Assembly, except in the case of Contracting Parties which, in applying the UN scale of assessments, would make annual contributions to the Ramsar Convention core budget of less than CHF 1,000, in which case the annual contribution shall be that amount;
18. URGES all Contracting Parties to pay their assessed contributions promptly by 1 January of each year, or as soon thereafter as that country's budget cycle will permit;
19. URGES Contracting Parties in arrears in their payments of assessed 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; REQUESTS the Secretariat to contact Contracting Parties that are in arrears in excess of three years and assist them to identify appropriate options to rectify the situation and to request a plan for making payment of contributions, and to report back at each meeting of the Standing Committee and the Conference of the Parties on activities taken in this regard and results achieved; and AGREES that the Standing Committee should continue to consider appropriate action concerning Parties that have neither paid their arrears nor submitted a payment plan for this purpose;
20. NOTES with concern the continued fall in voluntary contributions from Contracting Parties and URGES Contracting Parties and others to reverse this trend in order to fund important non-core priorities for 2019-2021 to support the unfunded core areas of the Secretariat's work and priorities arising from Resolutions;
21. REQUESTS the Secretariat to undertake approaches to secure voluntary financial support for activities to implement the Convention in line with the Secretariat's resource mobilization action plan (see document Doc. SC54-17);

22. NOTES WITH GRATITUDE that, at the 10th meeting of the Conference of the Parties, the Contracting Parties of Africa assessed at less than CHF 2,000 agreed to increase their payments to that level, and that the difference between CHF 2,000 and their assessment will form a voluntary contribution specifically earmarked for African Regional Initiatives;
23. AGREES to cease the Small Grants Fund Programme and EXPRESSES gratitude to the governments of Switzerland, the United States of America and to Danone, the MAVA Foundation and the Nagao Natural Environment Foundation for their voluntary contributions to non-core activities of the Convention namely, the Swiss Grant for Africa, Wetlands for the Future Fund and Nagao Wetland Fund;
24. DECIDES that the Reserve Fund:
 - a. provides for unforeseen and unavoidable expenditures;
 - b. receives realized triennial core budget surpluses (or deficits);
 - c. should not be lower than 6% of the annual core budget of the Convention and not greater than 15%;
 - d. should be administered by the Secretary General with the approval of the Subgroup on Finance established by the Standing Committee;
25. REQUESTS the Secretariat to endeavour to maintain the Reserve Fund over the 2019-2021 triennium and to report annually to the Standing Committee on its status and to seek the concurrence of the Subgroup on Finance prior to any use of the Fund;
26. REQUESTS the Secretariat to utilize the UN Conference on Trade and Development's list of Small Island Developing States (SIDS) when determining eligibility for sponsorship for delegate travel and to consider SIDS as eligible for support whether or not they are formally classified as such on economic grounds in the OECD Development Assistance Committee (DAC) list; and
27. CONFIRMS that this Resolution and its annexes supersede and replace Resolution XII.1 (Punta del Este, 2015).

Annex 1

Proposed budget scenarios for 2019-2021

Scenario A, 0% increase compared to 2016-2018 triennium

Ramsar Proposed Budget 2019-2021	Budget 2019	Budget 2020	Budget 2021	Total Budget 2019-2021
CHF 000'S				
INCOME				
Parties' Contributions	3,779	3,779	3,779	11,337
Voluntary contributions	1,065	1,065	1,065	3,195
Income Tax	225	225	225	675
Income Interest	12	12	12	36
TOTAL INCOME	5,081	5,081	5,081	15,243
EXPENDITURES				
A. Secretariat Senior Management	969	987	993	2,950
Salaries and social costs	918	930	942	2,791
Other employment benefits	51	57	51	159
B. Resource Mobilization and Outreach	678	655	643	1,976
Salaries and social costs	450	456	462	1,368
Other employment benefits	5	1	5	10
CEPA Program	30	30	30	90
Comms, Translations, Publications and Reporting Implementation	100	100	100	300
Web/IT support and Development	94	69	46	209
C. Regional Advice and Support	1,250	1,272	1,286	3,808
Salaries and social costs	1,178	1,196	1,214	3,588
Other employment benefits	72	76	72	220
D. Support to Regional Initiatives	120	120	120	360
Regional networks and centers	120	120	120	360
E. Science and Policy	749	728	717	2,194
Salaries and social costs	559	567	575	1,700
Other employment benefits	4	1	4	9
STRP implementation	40	40	40	120
STRP meetings	50	50	50	150
Ramsar Sites Information Service (maintenance and development)	96	71	48	215
G. Administration	493	496	500	1,489
Salaries and social costs	217	221	224	662
Other employment benefits	1	0	1	2
Staff hiring and departure costs	25	25	25	75
Secretariat Staff Travel	155	155	155	465
Operating Costs including equipment	95	95	95	285
Planning and Capacity building	0			0
H. Standing Committee Services	150	150	150	450
Standing Committee delegates' support	45	45	45	135
Standing Committee meetings	10	10	10	30
SC translation	60	60	60	180
Simultaneous interpretation at SC meetings	35	35	35	105
I. IUCN Administrative Service Charges (maximum)	562	562	562	1,686
Administration, Human Resources, Finance & IT services	562	562	562	1,686
J. Miscellaneous - Reserve Fund	110	110	110	330
Provisions	50	50	50	150
Legal Services	60	60	60	180
TOTAL EXPENDITURES	5,081	5,081	5,081	15,243

Scenario B, 2.9% increase

2.9% increase, Proposed Budget 2019-2021	Budget 2019	Budget 2020	Budget 2021	Total Budget 2019-2021
CHF 000'S				
INCOME				
Parties' Contributions	3,882	3,882	3,882	11,646
Voluntary contributions	1,097	1,097	1,097	3,290
Income Tax	243	243	243	729
Income Interest	11	11	11	33
TOTAL INCOME	5,233	5,233	5,233	15,698
EXPENDITURES				
A. Secretariat Senior Management	969	987	993	2,950
Salaries and social costs	918	930	942	2,791
Other employment benefits	51	57	51	159
B. Resource Mobilization and Outreach	678	655	643	1,976
Salaries and social costs	450	456	462	1,368
Other employment benefits	5	1	5	10
CEPA Program	30	30	30	90
Comms, Translations, Publications and Reporting Implementation	100	100	100	300
Web/IT support and Development	94	69	46	209
C. Regional Advice and Support	1,250	1,272	1,286	3,808
Salaries and social costs	1,178	1,196	1,214	3,588
Other employment benefits	72	76	72	220
D. Support to Regional Initiatives	120	120	120	360
Regional networks and centers	120	120	120	360
E. Science and Policy	755	733	722	2,210
Salaries and social costs	559	567	575	1,700
Other employment benefits	4	1	4	9
STRP implementation	45	45	45	135
STRP meetings	50	50	50	150
Ramsar Sites Information Service (maintenance and development)	97	71	48	216
G. Administration	639	642	647	1,927
Salaries and social costs	298	302	306	905
Other employment benefits	1	0	1	2
Staff hiring and departure costs	25	25	25	75
Secretariat Staff Travel	175	175	175	525
Operating Costs including equipment	95	95	95	285
Planning and Capacity building	45	45	45	135
H. Standing Committee Services	150	150	150	450
Standing Committee delegates' support	45	45	45	135
Standing Committee meetings	10	10	10	30
SC translation	60	60	60	180
Simultaneous interpretation at SC meetings	35	35	35	105
I. IUCN Administrative Service Charges (maximum)	562	562	562	1,686
Administration, Human Resources, Finance & IT services	562	562	562	1,686
J. Miscellaneous - Reserve Fund	110	110	110	330
Provisions	50	50	50	150
Legal Services	60	60	60	180
TOTAL EXPENDITURES	5,233	5,233	5,233	15,697

Scenario C, 4.3% increase

4.3% increase, Proposed Budget 2019-2021	Budget 2019	Budget 2020	Budget 2021	Total Budget 2019-2021
CHF 000'S				
INCOME				
Parties' Contributions	3,882	3,882	4,066	11,830
Voluntary contributions	1,097	1,097	1,149	3,342
Income Tax	243	243	243	729
Income Interest	11	11	11	33
TOTAL INCOME	5,233	5,233	5,469	15,934
EXPENDITURES				
A. Secretariat Senior Management	969	987	993	2,950
Salaries and social costs	918	930	942	2,791
Other employment benefits	51	57	51	159
B. Resource Mobilization and Outreach	678	655	643	1,976
Salaries and social costs	450	456	462	1,368
Other employment benefits	5	1	5	10
CEPA Program	30	30	30	90
Comms, Translations, Publications and Reporting Implementation	100	100	100	300
Web/IT support and Development	94	69	46	209
C. Regional Advice and Support	1,250	1,272	1,286	3,808
Salaries and social costs	1,178	1,196	1,214	3,588
Other employment benefits	72	76	72	220
D. Support to Regional Initiatives	120	120	120	360
Regional networks and centers	120	120	120	360
E. Science and Policy	755	733	722	2,210
Salaries and social costs	559	567	575	1,700
Other employment benefits	4	1	4	9
STRP implementation	45	45	45	135
STRP meetings	50	50	50	150
Ramsar Sites Information Service (maintenance and development)	97	71	48	216
G. Administration	639	642	647	1,927
Salaries and social costs	298	302	306	905
Other employment benefits	1	0	1	2
Staff hiring and departure costs	25	25	25	75
Secretariat Staff Travel	175	175	175	525
Operating Costs including equipment	95	95	95	285
Planning and Capacity building	45	45	45	135
H. Standing Committee Services	150	150	386	686
Standing Committee delegates' support	45	45	45	135
Standing Committee meetings	10	10	10	30
SC translation	60	60	60	180
Simultaneous interpretation at SC meetings	35	35	35	105
Conference of the Parties	0	0	236	236
I. IUCN Administrative Service Charges (maximum)	562	562	562	1,686
Administration, Human Resources, Finance & IT services	562	562	562	1,686
J. Miscellaneous - Reserve Fund	110	110	110	330
Provisions	50	50	50	150
Legal Services	60	60	60	180
TOTAL EXPENDITURES	5,233	5,233	5,469	15,933