

**Financial and budgetary matters:
2018 core budget update**

Actions requested:

Standing Committee is invited to:

- i. review and approve the proposed reallocation of 2018 core budget;
- ii. approve the use of the remaining non-core balances in the admin budget line.

2018 core budget

1. Decision SC54-26 approved the report of the Subgroup on Finance including the revised 2018 core budgetary allocation (see Annex 1 of the report of the Subgroup on Finance (SC54-WG.4)).
2. The Secretariat proposes a further budgetary reallocation as per table 1 below, especially in the areas of salaries and related benefits as well as travel in response to developments since the 54th meeting of the Standing Committee (SC54).
3. The changes in the area of salaries and related benefits, relate to staff departures and recruitment of vacant positions in the Secretariat implying savings in salary and related costs. Employment benefits also varied depending on the situation of the departing and recruited staff compared to the original budget approved by the Conference of Contracting Parties at COP12 in 2015. These changes also have a consequence in budgetary allocations for hiring and departure costs budgeted under G. Administration in 2018, which were insufficient for the changes that occurred during this period.
4. For staff hiring and departure costs, the Secretariat estimates a total of CHF 150K for 2018 whereas only CHF 25K is budgeted for, resulting in a need for additional resources of CHF 125K as per Table 1 below. The costs are mainly to cover relocation (in most instances for both the leaving incumbent as well as the newly recruited staff member) for the Senior Regional Advisor for Asia, the Director Science and Policy and the Regional Officer for Oceania. In addition, the services of an Executive Search firm were retained to support the recruitment process of the Director Science and Policy and for the search for the replacement of the current Deputy Secretary General who will retire at the end of 2018. IUCN has an arrangement with this firm and its support will focus on the proactive identification and screening of candidates.
5. These increased costs are proposed to be covered by savings in salary, social costs and employment benefits resulting from vacancies in the above-mentioned positions as well as

specific circumstances of individuals recruited differing from budgetary allocations decided in 2015.

6. The Secretariat therefore proposed to move resources from the budget lines for salaries, social costs and other employment benefits to the budget line for hiring and departure costs.
7. Some shifts in travel budget lines are also proposed to respond to increased representation opportunities of Senior Management in key policy processes in 2018 as well as the participation of the Secretary General and Deputy Secretary General in the regional preparatory meetings for COP13. The Secretariat thus proposes to shift CHF 20K to the Senior Management travel budget line, of which CHF 10K comes from the travel line for Regional Advice and Support, given that the vacancy of the Senior Regional Advisor for Asia and Oceania resulted in decreased travel in this region; and CHF 10K from the balances proposed to be reallocated described in the table below.
8. As the Secretary General informed the Subgroup on Finance during its meeting at SC54, due to challenges in recruiting the part-time position of A3 Accounting Assistant and high demands related to the end of year closing in early 2018, the Secretariat and the IUCN Finance Unit agreed that the IUCN would provide such support for the same cost. Therefore, the 50% salary costs for this position for part of the year will need to be transferred from G. Administration to J. IUCN Administrative Service Charges.
9. SC53 authorized CHF 32K for the interpretation of pre-COP meetings. Actual expenditures amounted to CHF 16K. Due to an over-expenditure for SC54 of CHF 10K, it is proposed to use part of the balance of pre-COP meetings for covering this over-expenditure.
10. In total, the proposed budgetary reallocations are cost neutral.
11. With the above information, SC55 is invited to consider and approve the proposed budgetary re-allocation as per table 1 below:

Table 1: Proposed 2018 core budget

Ramsar core budget 2018 CHF 000's	Budget 2018 (COP12- approved)	Authorized use of 2016 and 2017 surplus in 2018*	Budget reallocation 2018 (SC54- approved) **	Budget 2018 (SC54- approved) ****	Proposed budget reallocation 2018	Proposed budget 2018 after reallocation
A. Secretariat Senior Management	798	0	0	798	(20)	778
Salaries and social costs	674			674	(40)	634
Other employment benefits	79			79		79
Travel	45			45	20	65
B. Resource Mobilization and Outreach***	250	0	0	250	(22)	228
Salaries and social costs	188			188	30	218
Other employment benefits	52			52	(50)	2
Travel	10			10	(2)	8
C. Regional Advice and Support	1,342	77	0	1,419	(70)	1,349
Salaries and social costs	1,201			1,201	(66)	1,135
Other employment benefits	56			56	6	62
Travel	85			85	(10)	75
Ramsar Advisory Missions		77		77		77
D. Support to Regional Initiatives	120	33		153		153
Regional Initiatives	120	33		153		153

Ramsar core budget 2018 CHF 000's	Budget 2018 (COP12- approved)	Authorized use of 2016 and 2017 surplus in 2018*	Budget reallocation 2018 (SC54- approved) **	Budget 2018 (SC54- approved) ****	Proposed budget reallocation 2018	Proposed budget 2018 after reallocation
E. Science and Policy	212	114	180	506	(13)	493
Salaries and social costs	110		180	290	(25)	265
Other employment benefits	2			2	10	12
Travel	10			10	2	12
STRP implementation	40			40		40
STRP meetings	50			50		50
Strategic Plan (2019-2021)		44		44		44
SDG 6.61		70		70		70
F. Communications***	569	0	(180)	389	10	399
Salaries and social costs	434		(180)	254	10	264
Other employment benefits	0		0	0		0
Travel	5			5		5
CEPA Programme	30			30		30
Comms, Translations, Publications and Reporting Implementation	100			100		100
G. Administration/RSIS/Web	896	77	(20)	953	100	1,053
Salaries and social costs	629	77		706	(15)	691
Other employment benefits	5			5		5
Staff hiring and departure costs	25			25	115	140
Travel	0			0		0
Ramsar Sites Information Service (maintenance & development)	117		(10)	107		107
Web/IT support and development	120		(10)	110		110
H. Operating Costs	94	81	0	175	0	175
General	80			80		80
Equipment/Office Supplies	14			14		14
Planning and Capacity building	0	81		81		81
I. Standing Committee Services	150	32	0	182	0	182
Standing Committee delegates' support	45			45	(9)	36
Standing Committee meetings	10			10	9	19
SC translation	60			60	14	74
Simultaneous interpretation at SC meetings	35			35	(4)	31
Other meetings	0	32		32	(10)	22
J. IUCN Administrative Service Charges	540	0	20	560	15	575
Administration, Human Resources, Finance & IT services	540	0	20	560	15	575
K. Miscellaneous - Reserve Fund	110	0	0	110	0	110
Provisions	50			50		50
Legal Services	60			60		60
TOTAL	5,081	414	0	5,495	0	5,495

* See SC53-29 and SC54-WG.4 table 1

** See SC54-WG.4 Annex 11

*** Name change from Partnership Coordinator to Resource Mobilization and Outreach reflecting the merger of the functions of Partnership Coordinator and Communications. Categories proposed to be combined in next triennium.

**** SC54 approved a 2018 budget of CHF 5,270K (see Annex1 of SC54-WG.4) and a use of 2017 surplus of CHF 225K in 2018 (see SC54-WG.4 table 1)

Use of remaining non-core balances identified by the Secretary General accumulated within the so-called admin budget line

12. SC54 instructed the Secretariat to use IUCN policies and procedures as well as guidelines for the management of non-core funds, especially in regards to the capacity to implement projects and the use of management fees and postponed the decision on the use of the “old” balance of accumulated management fees of CHF 298K within the non-core admin project previously reported by the Secretariat until the IUCN Oversight Unit has finished its work and shared its report (see SC54-WG.4 para. 2 x.).
13. Since the report of the IUCN Oversight Unit was finalized (see SC55 Doc.8.2) and the IUCN Oversight Unit has confirmed the balances, the Secretariat will proceed to move the balance of the Swiss Grant for Africa to a separate project line and will use the funds as per the donor instructions. For the management fees: i) regarding their use, the Secretariat will follow the guidance provided by SC54, that is, to apply IUCN policies and procedures which require that such fees are to be used for activities related to programme support (e.g. administration, legal advice, training, fundraising, evaluation, communications, etc.) (see SC54-7.1 para. 40), as well as any further guidance from COP13; and ii) regarding how these fees are treated accounting-wise, as per the recommendation of the IUCN Oversight Unit (see SC55-8.2), the Secretariat proposes to develop a proposal taking into account the practices of other Conventions, IUCN’s methodology and other relevant experience and to submit it to SC57 for its consideration and decision. Until a longer-term decision is taken, the Secretariat proposes to shift the management fees balance of CHF 298K together with any management fee collected since the reporting of the balance to a separate non-core funding budget line called “management fees”, and to use the balance as per the above guidance; and seeks the approval of SC55 to proceed accordingly.