

Report of the Observer Status Working Group

Actions requested:

The Standing Committee is invited to:

- i. take note of the progress of the work of the Observer Status Working Group according to the mandate of the Standing Committee.; and
- ii. discuss and agree on the way forward on the observer status matters taking into account considerations of the Working Group.

Background

1. In Decision SC55-12, the Standing Committee instructed the Secretariat, with support from an informal group of interested Contracting Parties, to bring forward a structured proposal regarding the possibility of the Convention obtaining observer status at the United Nations General Assembly, taking into account the various options, for consideration at its 57th meeting (SC57).
2. The Secretariat contacted all Parties to determine if any were interested in pursuing the process. As a result a small informal group was convened, comprising Bolivia (Plurinational State of), Chad, Colombia, Guinea, the United States of America and Uruguay.
3. Bolivia (Plurinational State of) presented the report of the informal group at SC57, with three recommendations for Standing Committee consideration on the way forward on the observer status.
4. The Standing Committee (through Decision SC57-14) agreed the following way forward on the observer status:
 - a. Endorsement by SC57 of the continuity of the Observer Status Working Group (previously the informal group) with the inclusion of Mexico, the Russian Federation and Switzerland;
 - b. Analysis of the different options and other options that might not yet have been addressed including inputs from the Legal Adviser and those received from Parties during the meeting; and

- c. Allocation of funds from the core budget surplus for the independent analysis to be presented at SC58.¹

Summary of the process undertaken by the Working Group on the legal analysis

5. As noted in the report of the Working Group to SC59, document SC59 Doc.14, during 2020 and 2021 the Group held four conference calls and prepared its work plan according to the mandate of the Standing Committee.
6. The report also provided:
 - a. A roadmap that included the development of a legal analysis in compliance with the Group's mandate of analysing different options and other options that might not yet have been addressed, that best address the Secretariat's legal status, participation in international fora and visibility priorities;
 - b. The terms of reference agreed by the Working Group for a consultancy on the independent analysis on the legal status;
 - c. The analysis of other options: i) the observer status in the UN General Assembly, ii) the application for observer status with the Economic and Social Council (ECOSOC) and iii) the process of review of the High-level Political Forum on Sustainable Development (HLPF).
 - d. A summary of key findings of the legal consultancy with five specific options to address the key concerns about the legal status of the Secretariat and its operation, and three additional options aimed at enhancing participation in UN high-level fora and processes under the UNGA, the application for observer status with ECOSOC and the process of review of the HLPF.

The report of the legal analysis is accessible at:

https://www.ramsar.org/sites/default/files/documents/library/independent_analysis_legal_status_secretariat_2020_e.pdf

7. From the five main options to address the key concerns about the legal status of the Secretariat and its operation, the Working Group agreed to undertake an in-depth financial analysis of the selected options with consultant's support that could be presented as part of the report of, and the recommendations from, the Working Group to SC59. The Working Group agreed the terms of reference for this consultancy.
8. Taking into consideration the status of progress of the Working Group on the mandate given by the Standing Committee, the Standing Committee through Decision SC59-23 recommended that the Working Group continue its work until the completion of the financial analysis of the options identified as the most viable, and report back at the Committee's resumed session.

Summary of key findings of the financial analysis consultancy

9. The consultancy prepared a comparative analysis of the three options identified by the Working Group as the most viable, plus the current arrangement of the Secretariat of the Convention hosted by IUCN, as follows:

¹Through Decision SC57-47, the Standing Committee subsequently approved the allocation of CHF 15,000 from the 2018 core budget surplus to "Legal status analysis consultancy".

- a. Secretariat of traditional IGOs (A1);
 - b. Multilateral environmental agreement (MEA), institutional linkage to the UN (A3);
 - c. Part of UNEP (Option B1);
 - d. The current scenario, with Secretariat of the Convention/IUCN – including a comparative analysis of salaries and benefits between IUCN and the UN System.
10. The comparative analysis encompasses:
- a. Costs of operation and administrative service arrangements (including fees required by the hosting organization and services and staff provided by hosting organization in exchange for the fees when applicable);
 - b. Staff cost and benefits implications; and
 - c. The steps and approximate time of each option.
11. The report determines costs under the current scenario and options A1, A3 and B1 identified by the independent analysis on the legal status of the Secretariat, using comparative organizations. The analysis is based on an extensive literature review and interviews with officers working at the comparison organizations and Secretariats.
12. In line with the above, the report provides information on:
- Relative costs of each option;
 - Relative benefits of each option;
 - Transition processes for each option;
 - Estimations and assumptions;
 - Comparative table of the three scenarios and their potential meaning for the Secretariat;
 - Comparative table of pros and cons for the four assessed options;
 - Comparative table on the annual costs under IUCN, Option A1, Option A3 and Option B1; and
 - Staff calculations.
13. Concerning relative costs of each option the report notes that in 2008, an analysis of the financial implications of the Secretariat joining UNEP or becoming an independent international organization concluded that joining UNEP would imply an increase of at least 24% of the annual budget. At that time, the main difference was in staff costs, but today this difference seems to be much lower. In 2008, annual staff costs calculated using IUCN salaries, benefits and allowances were much lower than those costs calculated using UN salaries, benefits and allowances. Today, staff costs using UN salaries as effective to 2022, with a post adjustment of 74.7% for Geneva duty station, including one dependent spouse, one dependent child, and pension, are only slightly higher than current staff costs using IUCN salaries, benefits and allowances.
14. The report also notes that the findings must be considered in light of estimations and assumptions in relation to staff costs.
15. The report shows that under options A1, A3 and B1, it would be important to consider the cost of the meetings of the subsidiary bodies, while under IUCN, the Convention does not need to pay to rent spaces or equipment for the meetings of the subsidiary bodies; under the other options, assuming that the Secretariat remains in Switzerland, the Convention may need to pay to rent the necessary space and equipment for meetings. The calculation of these costs would need further consideration.

The report and analysis can be consulted at this link:

https://www.ramsar.org/sites/default/files/documents/library/financial_analysis_legal_status_secretariat_2020_e.pdf

Concerning the other options included in the report of the Working Group to SC57 and SC59 in 2021

Observer status under the UN General Assembly (*background document: submission from Uruguay 11 August 2017 – Colombia joined as co-sponsor*)

16. After this draft resolution was discussed at the 72nd session of the General Assembly, it was postponed for further consideration at the 73rd session. At the 74th and 75th sessions the subject was postponed again as there was not yet consensus. This option requires further follow-up.

Application for observer status with the Economic and Social Council (ECOSOC)

17. Informal consultations between Contracting Parties and members of ECOSOC, and between the Secretariat and ECOSOC, had indicated that progress in obtaining observer status at that Council would be difficult as there was a request for observer status in the UNGA. As the option on the observer status this option also requires further follow-up.

The process of review of the High-level Political Forum on Sustainable Development

18. The General Assembly further adopted, on 25 June 2021, resolution 75/290 A (on the *Review of the implementation of General Assembly resolution 72/305 on the strengthening of the Economic and Social Council*) and resolution 75/290 B (on the *Review of the implementation of General Assembly resolutions 67/290 on the format and organizational aspects of the high-level political forum on sustainable development and 70/299 on the follow-up and review of the 2030 Agenda for Sustainable Development at the global level*). In this regard, the engagement of civil society and relevant stakeholders in the Economic and Social Council should continue to be arranged in accordance with paragraphs 19, 20 and 21 of the annex to General Assembly resolution 72/305 and in accordance with the provisions of their respective rules of procedure and the provisions of General Assembly resolutions 67/290 and 72/305. This review does not change the current limitations that the Secretariat cannot participate as an observer to the HLPF.

Recommendations of the Working Group

19. At its meeting on 6 May 2022 the Working Group discussed the results of the financial analysis and agreed to seek instructions from SC59 at its resumed session on the way forward, taking into consideration the results of the legal and financial analysis, and that both reports provide valuable information to further discuss different options that are financially viable, but that discussions should take place within a group with balanced regional representation.