

Report on financial matters for 2019-2021 and 2022

Actions requested:

The Standing Committee is invited to:

- i. review and accept the 2021 audited financial statements as of 31 December 2021;
- ii. note the core budget results for 2021;
- iii. note the status of the non-core budget and voluntary contributions for 2021;
- iv. approve the Secretariat's proposed adjustments to 2021 balances, as described in paragraphs 9.f, 13, 14 and 15 and presented in column H of the table in Annex 2;
- v. approve that the pre-committed funds are carried forward from 2021 to 2022, as described in paragraph 10 and presented in column C of the table in Annex 4;
- vi. consider the remaining 2021 surplus and decide on allocation of these funds, as described in paragraphs 23 and 24, and consider the options suggested by the Secretariat for possible use of 2021 surplus as described in paragraph 40;
- vii. note the intersessional allocations of funds to adjust to the ExCOP3-approved core budget for 2022, as described in paragraph 22 and 38 and approve the allocation of the remaining balances of "SC58 - 2020 budget and uncommitted carry forward savings" as additional reserve fund savings, as described in paragraph 39 and presented in column D of the table in Annex 4; and
- viii. consider the options suggested by the Secretariat for possible use of 2021 savings as described in paragraphs 40 and 41.

Background

1. This report addresses financial matters concerning the Convention on Wetlands' core and non-core budget results for the 2019-2021 triennium, and the budget for 2022.
2. Sound financial management of the Secretariat core and non-core funds has been validated by the external auditors, who raised no new issues. The internal responsibilities and allocation of controls between IUCN and the Secretariat has been documented, to ensure that the processes for financial management in the Secretariat are in compliance with IUCN policies and procedures where applicable.

3. 2021 was again affected by limitations and challenges because of the COVID-19 pandemic, which had an impact on the Secretariat's implementation of its workplan and the Convention's budget, resulting in lower implementation of budget lines, and especially those requiring travel, such as meetings of governing and subsidiary bodies and Secretariat travel, resulting in budget savings.

2021 results: core budget

4. The 2021 audited financial statements are included at Annex 1.
5. A summary of the 2021 core budget results is attached in Annex 2. It shows in column A the budget for 2021 of CHF 5,081K approved through Resolution XIII.2 on *Financial and budgetary matters*, including the SC59-approved adjustments, as explained in paragraph 12 below. Column B of the same table shows the authorized use of CHF 76K of surplus funds during the year to cover the budget gap created with the recruitment of the Finance and Accounting Assistant, in accordance with paragraph 15 of Resolution XIII.2, while column C shows 2020 committed balances and authorized use of surpluses for a total of CHF 712K. This total includes the use of funds approved in previous years for the following items: Effectiveness Working Group (Resolution XIII.2, paragraph 16); commitments from the 2018 budget (carried over to 2019); and SC57-authorized use of surplus (see Annex 9.2 of the Report of SC57, approved through Decision SC57-47). Column D shows SC59-authorized use of 2020 budget savings for a total of CHF 293K, and column E shows uncommitted funds carried forward from 2020 to 2021 for a total of CHF 1,297K approved in the SC59 virtual meeting in June 2021.
6. The total available budget for 2021 was thus CHF 7,459K. Annex 2 also shows the final income and expenditure in 2021 confirmed by the financial statements (Annex 1) and the balance as of 31 December 2021 for each budget line and category.
7. The Standing Committee is invited to review and accept the 2021 audited financial statements (Annex 1). The full 2021 audited financial statements including the notes and audit opinion have been published on the Convention website.¹
8. At the end of 2021, there was a core budget balance of CHF 2,798K. This included CHF 767K of 2021 pre-committed/planned funds to be spent in 2022, and CHF 2,042K of savings, minus the net shortfall in income of CHF 10K. Table 1 below provides a summary of the pre-committed/planned 2021 core budget to be spent in 2022 and savings from the 2019-2021 triennium core budget. It is important to note that the amount of savings is due mostly to the accumulated unspent funds carried forward within the 2019-2021 triennium in accordance with Standing Committee Decision SC57-50², mainly due to the COVID-19 pandemic.

¹ See https://www.ramsar.org/sites/default/files/documents/library/report_auditor_ramsar_2021_e.pdf.

² Decision SC57-50: "In accordance with the responsibilities defined in Resolution 5.2 on *Financial and budgetary matters*, Annex, 3, paragraph 8, the Standing Committee agreed that uncommitted/unexpended balances for budget lines can be carried forward to the next year within the triennium and presented to the following meeting of the Subgroup on Finance."

Table 1: Summary of 2021 core budget pre-committed funds and savings from the 2019-2021 triennium budget
(in '000 CHF, includes possible rounding differences)

Category / Department	Pre-committed / planned 2021 to be spent in 2022 (A)	Savings 2019-2021 (B)	Total pre-committed 2022 and savings 2019-2021 (C=A+B)	Comments for pre-commitments / planned 2022 and savings 2019-2021 (savings resulting from accumulated funds carried forward within the triennium)
Senior Management and Governance	0	274	274	Savings: (i) vacancies and adjustments in employment benefits, and (ii) significantly reduced travel due to pandemic.
Resource Mobilization and Outreach	211	151	362	Pre-committed/planned: (i) 86K web redevelopment, (ii) 12K World Wetlands Day, (iii) 56K CEPA Programme, and (iv) 57K communications, translations, publications and reporting implementation planned for use towards COP14. Savings: (i) Director position reclassified and Resource Mobilization & Partnerships Officer recruited in 2020, (ii) other employment benefits, and (iii) reduced travel.
Regional Advice and Support	96	454	550	Pre-committed/planned: 96K implementation of Ramsar Advisory Missions postponed to 2022. Savings: (i) vacancies and adjustments; Regional Advisor position filled mid-2021, and (ii) reduced travel.
Support to Ramsar Regional Initiatives	76	1	77	Pre-committed/planned: implementation continues in 2022 for 76K Amazon Basin RRI.
Scientific and Technical Services	224	453	667	Pre-committed/planned: (i) 10K travel, (ii) 12K STRP Chair travel, (iii) 40K STRP implementation, (iv) 90K Fifth Strategic Plan and (iii) 72K implementation continues in 2022 for inventories. Savings: (i) Director, Science and Policy recruited mid-2021, (ii) reduced travel, (iii) STRP face-to-face meeting did not take place and (iv) Ramsar Sites Information Service.
Administration	73	45	118	Pre-committed/planned: 73K capacity-building plan implementation continues in the next triennium. Savings: office supplies and equipment.
Standing Committee Services	25	58	83	Pre-committed/planned: (i) 9K Standing Committee meeting, (ii) 14K Effectiveness Working Group, and (ii) 2K review of Resolutions (Resolution XIII.4). Savings: Standing Committee services and delegate support as face-to-face meeting did not take place.

Category / Department	Pre-committed / planned 2021 to be spent in 2022 (A)	Savings 2019-2021 (B)	Total pre-committed 2022 and savings 2019-2021 (C=A+B)	Comments for pre-commitments / planned 2022 and savings 2019-2021 (savings resulting from accumulated funds carried forward within the triennium)
Provisions, exchange difference and legal services	62	560	622	Pre-committed/planned: (i) legal fees: 8K financial analysis of legal status of the Secretariat, 38K legal advice and 16K audit. Savings: net of (i) 85K staff provisions, (ii) 59K legal services savings, (iii) foreign exchange gain of 80K for 2019-2021 triennium and (iv) 496K SC58 of 2020 budget savings.
Sub-Total	767	2,042	2,809	
Shortfall in income compared to budget		-10	-10	10K less interest income.
Rounding		-1	-1	Rounding.
Total core budget balance 2021	767	2,031	2,798	

9. 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 2K higher than budget while was no other income nor interest income.
- b. Overall salary costs of CHF 3,233K corresponded to a budget implementation rate of 89%, and salary costs amounted to 70% of overall expenditure.
- c. No IUCN-imposed cost-of-living increases had come into effect since 2011. Performance-based salary increases implemented by IUCN in 2017 were applied to the Secretariat in 2021 in line with IUCN policies and practices. In 2021 the Secretariat applied IUCN's promotion policy implemented in 2019 in line with the IUCN Global HR promotion guidelines. The resulting increases in salaries had been included in the approved budget for the triennium (Resolution XIII.2, paragraph 14 and Annex 1).
- d. As per Decision SC58-31, the provisions are presented in two separate budget lines: 1) "Staff Provisions"; and 2) "Provisions for outstanding contributions". This is to allow better management and transparency in the use of the provisions.
- e. The staff provisions increased by CHF 38K as a result of an increase in the staff termination provision of CHF 20K, an increase in the staff repatriation provision of CHF 12K and an increase in the staff leave provision of CHF 6K.
- f. Out of the total budgeted provisions for the outstanding contributions of CHF 140K the total used in 2021 was CHF 59K, leaving a remaining unused balance of CHF 81K. The Secretariat suggests that this unused balance is moved back to budget line "SC58 – 2020 budget and uncommitted carry forward savings" from where it was allocated by Standing

Committee Decision SC59-28, as presented in paragraph 15 below within the section entitled “Secretariat’s proposed adjustments to 2021 balances”.

10. In line with the decisions taken by the Standing Committee mentioned above in paragraph 5, the Secretariat proposes to carry forward the total pre-committed funds to 2022. The total amount of pre-committed funds is CHF 767K, as noted above in Table 1, column “Pre-committed/planned 2021 to be spent in 2022”.
11. Funds which, prior to 2017, were transferred to non-core projects remain under the non-core funding category and are being used up for the specified purpose approved through Decision SC54-26. An overview of these can be found under the report on non-core funds at Annex 3. The practice of effecting such transfers was discontinued in 2017.

Revisions to the 2021 core budget approved by the Standing Committee

12. The following revisions were made to the core budget in 2021:
 - a. The COP13-approved 2021 core budget was revised during the SC59 virtual meeting in June 2021 (Decision SC59-27) to adjust between the budget lines related to staff travel, staff salaries, other employment benefits and staff hiring and departure costs within the approved staff budget.
 - b. Also, as per the same Decision SC59-27, the budget lines “salaries, social costs and other benefits” were merged for each budget area.
 - c. Through Decision SC59-33, the Standing Committee “approved the allocation of CHF 25K to each of the four eligible Ramsar Regional Initiatives for their activities in 2021 from the core budget line D “Support to Regional Initiatives”, providing that receiving RRI conform to sub-paragraph 8.d. of Resolution XIII.9”.
 - d. Furthermore, through Decision SC59-34, the Standing Committee decided that any request for core funds by RRI should include a rationale about how they support Contracting Parties in implementing the Convention and its Resolutions and guidance, and that requests must be provided in English or with an English translation (with informal “google translate” translations, screened by the country’s National Focal Point, acceptable), to enable the Subgroup on Finance to make informed decisions in a timely manner.
 - e. Additionally, the Standing Committee approved the use of savings from the 2020 budget totalling CHF 293K through the following decisions: (i) through Decision SC59-35, the Standing Committee approved the remaining budgeted allocation of CHF 10K each to two RRI in the context of Decision SC58-28, for their activities planned in 2020 but delayed to 2021 and for disbursement in 2021, from savings from the core 2020 budget savings; (ii) through Decision SC59-28, the Standing Committee approved the allocation of CHF 72K to accommodate the increase in provisions for outstanding contributions in the 2021 budget; (iii) through Decision SC59-29, the Standing Committee approved the use of CHF 25K for development and production of World Wetlands Day 2022 and CHF 86K for improvements to the Convention’s website; and (iv) through Decision SC59-32, the Standing Committee approved the allocation of CHF 90K for the work of the Working Group on the Review of the Strategic Plan.
 - f. These revisions are reflected in the 2021 budget. The total remaining and unallocated 2020 budget savings of CHF 416K are presented in a separate budget line under item K

“Miscellaneous - Reserve Fund” as “SC58 - 2020 budget & uncommitted carry forward savings” in Annex 2.

Secretariat’s proposed adjustments to 2021 balances

13. In 2021, there has been an overspend in the approved 2021 core budget in the following budget lines: (i) overspend of CHF 11K in “Staff hiring and departure costs” due to the moving costs related to the departure and recruitment for the position of the Senior Advisor for Asia in 2021; (ii) overspend of CHF 15K in budget line “SC translation” due to the higher volume of documents and reports necessary for translation of SC59 meetings; and (iii) overspend of CHF 23K for “Simultaneous interpretation at SC meetings” due to additional interpretation costs during the virtual meeting of the SC59 and the Third Extraordinary Conference of the Contracting Parties (ExCOP3) in October 2021.
14. The Secretariat proposes the following adjustments to the 2021 core budget as presented in column H of Annex 2: (i) to cover the overspend of CHF 11K in “Staff hiring and departure costs” by using the unspent balance from the budget line “Salaries, social costs and other benefits for Regional Advice and Support”; (ii) to cover the overspend of CHF 15K in budget line “SC translation” and CHF 23K in budget line “Simultaneous interpretation at SC meetings” with CHF 38K from the budget line “Standing Committee delegates’ support”.
15. Furthermore, as explained above in paragraphs 9.f and 12.e, the Secretariat proposes to move the unused balance of CHF 81K for provision for outstanding contributions back to the budget line “SC58 - 2020 budget and uncommitted carry forward savings”, from which it was originally allocated through Decision SC59-28.
16. The adjustments proposed above are between approved budget lines while the overall approved 2021 core budget remains unchanged.

2021 surplus

17. The statement of income and expenditure for 2021 in the audited financial statements (see Annex 1, table II) shows that the core fund balance at the end of the year was CHF 3,738K. This includes the 2020 core fund balance (at the beginning of 2021) of CHF 3,318K and the net income over expenditure for 2021 of CHF 420K as per the audited financial statements and 2021 core results for the period 1 January to 31 December 2021 (Annex 2).
18. The 2021 core fund balance above includes the reserve fund of CHF 762K. This corresponds to 15% of the annual core budget, the maximum level approved by COP13 in paragraph 33 of Resolution XIII.2. Therefore, there is no need to reallocate resources for this purpose.
19. The core fund balance also includes a total of CHF 196K approved by ExCOP3 from the 2020 budget savings (Resolution ExCOP3.2 on *Financial and budgetary matters: 2022 core budget of the Convention on Wetlands*) to be used in 2022. This total includes CHF 76K, the same as provided for in the 2019-2021 triennium by Resolution XIII.2, paragraph 15, to cover the gap created in the core budget of the Secretariat to meet the cost of a new position of Finance and Accounting Assistant (cuts were made to communications, travel, STRP, and planning and capacity-building budget lines that were filled with this surplus) and CHF 120K to increase the provision for outstanding contributions in 2022.

20. Furthermore, this balance also includes pre-committed balances of CHF 767K, including the authorized use of 2018 surplus (Decision SC57-47) and SC59 intersessional adjusted budget, as detailed in Table 1 above, which will be spent in 2022 and thus have been included in the 2022 budget (Annex 4).
21. Additionally, the core fund balance includes savings from “SC58 - 2020 budget and uncommitted carry forward” of CHF 496K³ (as per the Decision SC59-26). This total includes the adjustment suggested in paragraphs 9.f and 15 above.
22. In early April 2022, the Standing Committee approved intersessionally an allocation from this budget line up to a total sum of CHF 89.5K for the recruitment of the next Secretary General in line with Decision SC59-39 of November 2021. As a result, the balance of “SC58 - 2020 budget and uncommitted carry forward savings” is reduced to CHF 406.5K. The Secretariat proposes this balance be carried forward to the 2022 budget as an additional reserve fund, as presented in paragraph 39 below and Annex 4. The Standing Committee should decide on the future allocation of this additional reserve fund, for example for future adjustments on provisions for outstanding contributions.
23. The core 2021 surplus thus available for consideration and allocation by the Standing Committee is CHF 1,517K. The Standing Committee is invited to decide on the use of this surplus. Table 2 below provides details.

Table 2: 2021 core surplus to be allocated (in '000 CHF)

(I) Fund balance at 31 December 2021 per audited statements	3,738
Reserve, approved and pre-committed:	
Reserve fund at 15% (Resolution XIII.2, paragraph 33)	762
ExCOP3-approved use of 2020 budget savings (to fill the gap and for outstanding provisions)	196
Pre-committed balances (Table 1)	767
SC58 - 2020 budget and uncommitted carry forward savings	406.5
April 2022 SC intersessional budget approval for the recruitment of the next Secretary General	89.5
(II) Total reserve, approved and pre-committed	2,221
(III=I-II) 2021 core surplus after approved and pre-committed - to be allocated	1,517

24. The Secretariat suggests some possible uses of the savings within the section below on “Core budget 2022” and its subsection on “Possible use of 2021 surplus”.

2021 results: non-core budget and voluntary contributions

25. As per Annex 1, section II, *Statement of income and expenditure as of 31 December 2021*, project income of CHF 462K and African voluntary contributions⁴ of CHF 11K were received in

³ This total has been reduced by CHF 89.5K to a total of CHF 406.5 (as explained in paragraph 22).

⁴ See paragraph 23 of Resolution X.2 on *Financial and budgetary matters*, <https://www.ramsar.org/document/resolution-x2-financial-and-budgetary-matters>.

2021, resulting in a total income from non-core voluntary contributions of CHF 473K. The details of non-core funding as of 31 December 2021 can be found in Annex 3.

26. The voluntary contributions received in 2021 are outlined in Table 3 below. As instructed by the Standing Committee through Decision SC53-32, the table provides an overview of the contributions received and their designated use. Reference is made to the priorities for fundraising of the Contracting Parties provided in Annex 3 of Resolution XIII.2.

Table 3: Project income from voluntary non-core contributions received in 2021 (in '000 CHF, includes possible rounding differences)

Donor	Income amount	Description
Germany	212	Wise use of Caribbean Wetlands
Norway	186	Ramsar COP13 Fundraising Priorities 2021-2022
Norway	18	Haiti's Wetlands Inventory
Norway	17	Introductory Course on the Convention on Wetlands
Russian Federation	18	Kurgalsky Ramsar Advisory Mission
Finland	11	Introductory Course on the Convention on Wetlands
Total project income	462	

27. There was an increase in voluntary non-core contributions compared to 2020. This increase is a result of the resumption of activities (contributions amounted to CHF 47K in 2020).
28. In 2021 the partnership agreement with Danone was renewed with the signing of a new three-year agreement to increase global visibility and understanding of wetlands among public and private sector decision-makers.
29. Contracting Parties and other potential donors have been approached regarding funding of other budgeted non-core priority items identified in Annex 3 of Resolution XIII.2. A main priority in this regard for Parties to be aware of in 2022 is funding for COP14, especially for the participation of sponsored delegates. The Secretariat would welcome guidance from Parties on potential donors to cover travel costs to ensure participation of all Contracting Parties at COP14. The Secretariat has provided estimates for funding in paragraphs 40 and 41 below and will do its best to mobilize resources to support sponsored delegates to participate in the meeting. The Secretariat believes that it is important to identify contingency options to ensure that all Parties can take part in COP14, taking into account the high number of international meetings taking place in 2022 for which similar funds will be raised, and the economic impact of COVID-19.
30. As instructed in Decision SC57-51, the Secretariat has taken action to phase out the Small Grants Fund programme by allocating funds to the four projects approved in this Decision. Three projects have been completed in 2021, while one project will receive the final tranche upon receipt and satisfactory review of the final project report in 2022.
31. The Secretariat would like to express its sincere appreciation to Contracting Parties and donors for their voluntary contributions to non-core activities of the Convention.

African voluntary contributions

32. In 2021, a net voluntary contribution of CHF 11K was received from Contracting Parties in the Africa region.
33. In accordance with Decision SC58-16, and on the basis of the balance of contributions reviewed by the Standing Committee as of the end of 2018, the Secretariat contracted funds totalling CHF 91K allocated to Ramsar Regional Initiatives in Africa as follows: CHF 30,333 each for the Ramsar Centre for Eastern Africa (RAMCEA), the Ramsar Regional Initiative for West African Coastal Zone Wetlands (WACoWet) and the Ramsar Regional Initiative for the Niger River Basin (NigerWet).
34. The first tranche of funds was distributed to WACoWet and NigerWet in 2020 and in 2021 to RamCEA. NigerWet and RAMCea received the second and final tranche in 2021, and the second and the final tranche will be distributed to WACoWet in 2022 upon receipt of the final reports.
35. The funds received in 2019, 2020 and 2021 for future distribution total CHF 25K, as reported in document SC59/2022 Doc.8.2 *Status of annual contributions*, paragraph 27.

Core budget 2022

36. An overview of the proposed 2022 budget is provided in Annex 4. It includes the ExCOP3-approved budget of CHF 5,081K; the authorized use of the 2020 budget savings of CHF 196K; the pre-committed 2021 budget funds to be spent in 2022 of CHF 767K; the intersessionally approved allocation of up to CHF 89.5K for the recruitment of the next Secretary General, and the additional reserve fund of CHF 406.5K from “SC58 - 2020 budget and uncommitted carry forward savings”. The total proposed core budget for 2022 is thus CHF 6,539K.
37. Document SC59 Doc.21.2 *Report of the Secretariat on the Ramsar Regional Initiatives* was not considered in 2021. The RRI have already received the maximum allocation within two triennia, thus no further allocation is foreseen. The 2022 budget approved by ExCOP3 includes a total of CHF 100K in the RRI budget line “Regional network and centres”. The Secretariat proposes to carry these funds forward to the next triennium for consideration by SC62 (May-June 2023) for any new RRI approved by COP14.

Adjustments to ExCOP3-approved budget

38. As per the intersessional decision from April 2022, the Standing Committee approved an additional allocation of CHF 89.5K to the budget line “Staff hiring and departure costs” from the 2021-approved budget line “SC58 – 2020 budget and uncommitted carry forward savings” for the recruitment of the next Secretary General in line with Decision SC59-39.
39. The Secretariat suggests that the remaining balance of “SC58 – 2020 budget and uncommitted carry forward savings” of CHF 406.5K is added to the 2022 budget as additional reserve fund for future allocations by the Standing Committee. These adjustments are presented in column D of the table in Annex 4.

Possible use of 2021 surplus

40. The Standing Committee might wish to consider possible uses of the 2021 surplus, taking into account that the reserve fund is at its maximum level. The Secretariat presents below some suggestions for possible uses of the surplus for its consideration:
 - a. CHF 228K to cover the core budget gap for core activities of the Secretariat (communications CHF 120K, staff travel CHF 60K, STRP implementation CHF 15K and planning and capacity building CHF 33K, that was created with the establishment of the position of Finance and Accounting Assistant – see paragraph 19 above) for the 2023-2025 triennium, the same as in the 2019-2021 triennium as per Resolution XIII.2, paragraph 15. This allocation is a priority in order to maintain the minimum budget required for the activities of the Secretariat and the position of the Finance and Accounting Assistant which has proved to be very effective for the operations of the Secretariat;
 - b. As outlined in document SC59 Doc.13.1 *Review of all previous Resolutions and Decisions: Process for conducting the review*, the Secretariat has identified the need for additional resources amounting to CHF 10K to take the next steps for this task, subject to their approval by the Standing Committee. This is in addition to an amount of CHF 2K pre-committed balance from 2021 in Annex 4, bringing the total 2021 available budget for the review of Resolutions to CHF 12K. The Secretariat proposes that these resources be allocated from the 2021 savings, and requests the approval of SC59 for this action.
 - c. CHF 600K to cover for COP14 delegates' travel costs if the Secretariat is unable to raise the totality of non-core funds needed. The Secretariat has initiated fundraising for COP14 sponsored delegate travel and some Parties have already committed funds for this purpose. However, it will be difficult to secure the totality of funds needed given the challenging economic situation and the high number of international meetings taking place in 2022.
41. The Standing Committee is invited to consider these proposals for the use of savings as well as the possibility of establishing other operational reserves when deciding on the allocation of savings identified at the end of triennium.

Information on other matters

42. In the course of 2021, the Secretariat continued the follow-up with IUCN regarding the self-assessment methodology, suggested in the IUCN review on *Financial Management Review of Non-core (Restricted) Fund Accounts*⁵ of October 2018. IUCN is developing and rolling out online tools. The Secretariat is following this process and will confirm whether a similar methodology would be useful in the context of the Convention.
43. Following the external auditor's request and Standing Committee Decision SC57-39, the new methodology has been applied in calculating the provision against dues receivable from Contracting Parties in 2019.
44. The Secretariat has made efforts in implementing Decisions SC57-44 and SC57-45 to encourage timely payment of annual contributions. In 2021, reminders were sent by email on a quarterly basis to those Contracting Parties with unpaid balances of annual contributions. More details are provided in document SC58 Doc.8.3 *Status of annual contributions*, paragraphs 16-21.

⁵ See <https://www.ramsar.org/document/sc55-doc82-iucn-review-of-non-core-finances>

45. In accordance with Decision SC58-18, the status of the annual contributions needs to be acknowledged intersessionally by the Standing Committee as a group confirmation of outstanding contributions to be obtained in the period following the closing of accounts and prior to the signing of the financial statements by the auditor. Consequently, the Secretariat sent on 24 January 2022 the request to the Standing Committee to acknowledge the status of assessed contributions as at 31 December 2021. Since no comments were received within the given period, the outstanding contributions as at 31 December 2021 are considered as acknowledged.

Annex 1

Audited financial statements as of 31 December 2021 (Swiss reporting format)

I. Balance sheet as of 31 December⁶

<i>in thousands of Swiss francs (CHF '000s)</i>	Notes	2021	2020
ASSETS			
Current assets			
Cash and short term bank deposits		6,946	5,634
Contracting Party receivables (net)	6	484	680
Other account receivables	7	49	85
Total current assets		7,479	6,399
Fixed assets (net)	9	17	13
Total non-current assets		17	13
TOTAL ASSETS		7,496	6,412
LIABILITIES AND FUND BALANCES			
Current liabilities			
Amount owed to IUCN		135	61
Other Payables	8	1,054	655
Accrued liabilities		121	83
Total current liabilities		1,310	799
Provisions			
Staff repatriation	5	133	121
Staff leave	5	132	125
Staff termination	5	192	172
Total provisions		457	418
Fund and Reserves			
Core reserve fund	11	3,738	3,318
Non-core Projects	12	1,991	1,877
Total fund and reserves		5,729	5,195
TOTAL LIABILITIES AND FUND BALANCES		7,496	6,412

⁶ See the notes to the audited statements at https://www.ramsar.org/sites/default/files/documents/library/report_auditor_ramsar_2021_e.pdf.

II. Statement of income and expenditure for the year ended 31 December 2021

<i>in thousands of Swiss francs (CHF '000s)</i>	Notes	2021			2020		
		Core Funds	Non-Core Projects	Total	Core Funds	Non-Core Projects	Total
Income							
<i>External income:</i>							
Contributions from Contracting Parties		3,779	-	3,779	3,779	-	3,779
US voluntary contributions		1,066	-	1,066	1,066	-	1,066
African voluntary contributions		-	11	11	-	12	12
Project income		-	462	462	-	47	47
Swiss tax rebates	10	227	-	227	185	-	185
Total Income		5,072	473	5,545	5,030	59	5,089
Expenditure							
<i>Operating expenditure:</i>							
Resource Mobilisation and Outreach		(518)	(136)	(654)	(416)	(75)	(491)
Regional Advice, Initiatives and Support		(1,258)	(155)	(1,413)	(1,126)	(110)	(1,236)
Scientific and Technical Services		(588)	(48)	(636)	(527)	-	(527)
Management, Governance, Operations and Support		(2,234)	-	(2,234)	(2,129)	(67)	(2,196)
Total operating expenditure		(4,598)	(339)	(4,937)	(4,198)	(252)	(4,450)
Net Surplus/(Deficit) before Other Income/Expenditures		474	134	608	832	(193)	639
<i>Other income (expenditures):</i>							
Net financial income/(expense)	4	7	(14)	(7)	(66)	(3)	(69)
Non-recurring or prior period expense		0	(6)	(6)	-	-	-
Provisions and write-offs (expense)		(61)	-	(61)	(96)	0	(96)
Total other income/expenditures		(54)	(20)	(74)	(162)	(3)	(165)
Net Surplus/(Deficit) after Other Income/Expenditures		420	114	534	670	(196)	474
STATEMENT OF FUND BALANCE							
for the year ended 31 December							
<i>in thousands of Swiss Francs (CHF '000s)</i>		2021			2020		
		Core Funds	Non-Core Projects	Total	Core Funds	Non-Core Projects	Total
Fund balance at the beginning of the year		3,318	1,877	5,195	2,648	2,073	4,721
Net income / (expenditure) for the year	11	420	114	534	670	(196)	474
Fund balance at the end of the year		3,738	1,991	5,729	3,318	1,877	5,195

III. Cash Flow Statement for the year ended 31 December 2021

<i>in thousands of Swiss francs (CHF '000s)</i>	2021	2020
Cash flow from operations		
Surplus/(Deficit) from Operations	534	474
Depreciation of fixed assets	6	7
Increase / (decrease) in provisions for membership dues in arrears	60	95
Increase / (decrease) in staff leave and repatriation liabilities	19	(41)
Increase / (decrease) in the provision for staff termination	20	18
(Increase) / decrease in membership dues receivables (gross)	136	1,590
Increase / (decrease) in payables to partner organisations	74	(307)
(Increase) / decrease in other accounts receivable	36	57
Increase / (decrease) in membership dues paid in advance	227	(183)
Increase / (decrease) in accounts payable and accrued liabilities	48	54
Increase / (decrease) in social charges payable	163	47
Total Cash flow from operations	1,323	1,811
Cash flow from investing activities		
Purchase of fixed assets	(11)	(4)
Total Cash flow from investing activities	(11)	(4)
Net Cash inflow/(outflow) for the year	1,312	1,807
Cash and short term deposits at the beginning of the year	5,634	3,827
Cash and short term deposits at the end of the year	6,946	5,634

Annex 2

2021 Core results for the period 01 January – 31 December 2021

(CHF '000s, includes possible rounding differences)

2021 Ramsar Budget SC59 Approved CHF '000s	Approved budget (COP13-approved with SC59 authorised Secretariat adjustments) (A)	Authorised use of surplus COP13 XIII.2 (for 2020) (B)	Pre-committed 2020 to be spent in 2021 ¹ (C)	SC59- authorised use of 2020 budget savings ² (D)	Uncommitted savings 2020 carried forward to 2021 (E)	Total 2021 budget (with uncommitted carry forward) (F)=A+B+C+D+E	Actual expenditure (G)	Secretariat proposal budget adjustments (H)	Balance (I)=(F)-(G)+(H)
INCOME									
Parties' Contributions	3,779	0	0	0	0	3,779	3,779	0	0
Voluntary contributions	1,065	0	0	0	0	1,065	1,065	0	0
Income Tax	225	0	0	0	0	225	227	0	(2)
Other Income (including Interest Income)	12	0	0	0	0	12	0	0	12
TOTAL INCOME	5,081	0	0	0	0	5,081	5,071	0	10
EXPENDITURES									
A. Secretariat Senior Management and Governance	1,051	5	0	0	175	1,231	957		274
Salaries, social costs and other benefits	1,011	0	0	0	151	1,162	953		209
Travel	40	5	0	0	24	69	4		65
B. Resource Mobilization and Outreach	532	45	164	111	50	902	540		362
Salaries, social costs and other benefits	396	0	0	0	45	441	309		132
CEPA Program	30	0	53	0	0	83	27		56

2021 Ramsar Budget	Approved budget (COP13-approved with SC59 authorised Secretariat adjustments)	Authorised use of surplus COP13 XIII.2 (for 2020)	Pre-committed 2020 to be spent in 2021¹	SC59-authorised use of 2020 budget savings²	Uncommitted savings 2020 carried forward to 2021	Total 2021 budget (with uncommitted carry forward)	Actual expenditure	Secretariat proposal budget adjustments	Balance
SC59 Approved									
CHF '000s	(A)	(B)	(C)	(D)	(E)	(F)=A+B+C+D+E	(G)	(H)	(I)=(F)-(G)+(H)
Comms, Translations, Publications and Reporting Implementation	60	40	79	0	0	179	122		57
WWD	0	0	20	25	0	45	33		12
50th Anniversary 2021	0	0	8	0	0	8	8		0
Web/IT support and Development	36	0	4	0	0	40	40		0
Web re-development	0	0	0	86	0	86	0		86
Travel	10	5	0	0	5	20	2		18
C. Regional Advice and Support	1,316	10	96	0	225	1,647	1,086	(11)	550
Salaries, social costs and other benefits	1,251	0	0	0	200	1,451	1,079	(11)	361
Travel	65	10	0	0	25	100	7		93
Ramsar Advisory Missions	0	0	96	0	0	96	0		96
D. Support to Regional Initiatives	100	0	97	20	0	217	140		77
RI WG Res. XIII.9,p9 para 10	0	0	21	0	0	21	20		1
Proposal Writing for RRI	0	0	0	0	0	0	0		0
Activity 1: Senegal Basin	25	0	0	10	0	35	35		0
Activity 2: Amazon Basin	25	0	76	10	0	111	35		76
Activity 3: Central Asia	25	0	0	0	0	25	25		0
Activity 4: Indo-Burma	25	0	0	0	0	25	25		0
E. Scientific and Technical Services	774	5	114	90	328	1,311	633		677
Salaries, social costs and other benefits	621	0	7	0	226	854	558		296
Travel	20	0	0	0	4	24	5		19
Travel STRP Chair	5	0	0	0	7	12	0		12

2021 Ramsar Budget	Approved budget (COP13-approved with SC59 authorised Secretariat adjustments)	Authorised use of surplus COP13 XIII.2 (for 2020)	Pre-committed 2020 to be spent in 2021¹	SC59-authorised use of 2020 budget savings²	Uncommitted savings 2020 carried forward to 2021	Total 2021 budget (with uncommitted carry forward)	Actual expenditure	Secretariat proposal budget adjustments	Balance
SC59 Approved									
CHF '000s	(A)	(B)	(C)	(D)	(E)	(F)=A+B+C+D+E	(G)	(H)	(I)=(F)-(G)+(H)
STRP implementation	35	5	35	0	24	99	34		65
STRP meetings	50	0	0	0	44	94	0		94
Strategic Plan SP5 (2022 - 2024)	0	0	0	90	0	90	0		90
SDG 6.61 (Inventories)	0	0	72	0	0	72	0		72
Ramsar Sites Information Service (maintenance and development)	43	0	0	0	23	66	36		30
G. Administration/RSIS/Web	489	11	95	0	16	611	505	11	118
Salaries, social costs and other benefits	334	0	0	0	3	337	335		2
Staff hiring and departure costs	60	0	10	0	0	70	81	11	0
Travel	0	0	0	0	0	0	0		0
Equipment/Office Supplies	95	0	0	0	13	108	65		43
Planning and Capacity building	0	11	85	0	0	96	23		73
H. Standing Committee Services	150	0	17	0	83	250	168	0	82
Standing Committee delegates' support	45	0	0	0	51	96	0	(38)	58
Standing Committee meetings	10	0	0	0	6	16	7		9
SC translation	60	0	0	0	4	64	79	15	0
Simultaneous interpretation at SC meetings	35	0	0	0	22	57	80	23	0
Effectiveness Working Group	0	0	14	0	0	14	0		14
Resolutions review (Res. XIII.4)	0	0	3	0	0	3	2		2

2021 Ramsar Budget SC59 Approved CHF '000s	Approved budget (COP13-approved with SC59 authorised Secretariat adjustments) (A)	Authorised use of surplus COP13 XIII.2 (for 2020) (B)	Pre-committed 2020 to be spent in 2021 ¹ (C)	SC59- authorised use of 2020 budget savings ² (D)	Uncommitted savings 2020 carried forward to 2021 (E)	Total 2021 budget (with uncommitted carry forward) (F)=A+B+C+D+E	Actual expenditure (G)	Secretariat proposal budget adjustments (H)	Balance (I)=(F)-(G)+(H)
J. IUCN Administrative Service Charges (maximum)	560	0	0	0	0	560	513		47
Administration, Human Resources, Finance & IT services	560	0	0	0	0	560	513		47
K. Miscellaneous - Reserve Fund	109	0	129	72	420	730	109	0	622
Staff Provisions	50	0	0	0	73	123	38		85
Provision for outstanding contributions	0	0	68	72	0	140	59	(81)	0
SC58 - 2020 budget & uncommitted carry forward savings	0	0	0	0	416	416	0	81	496
Exchange rate gains / losses	0	0	0	0	(94)	(94)	(14)		(80)
Legal Services	59	0	61	0	26	145	25		121
TOTAL EXPENDITURES	5,081	76	712	293	1,297	7,459	4,651	0	2,808
SURPLUS/(DEFICIT)							420		2,798

Notes:

- 1) See Table 1 for the details of the pre-committed 2021 to be spent in 2022
- 2) Approved through SC59 decisions

Annex 3

Projects financed by restricted funds for the period 01 January 2021 - 31 December 2021

(CHF '000s, includes possible rounding differences)

Project Number	Project Name	Balance (deficit) at 31 December 2020 (DR)/CR	Income during 2021 (DR)/CR	Expenditure during 2021 (DR)/CR	Project transfers and cross charges (DR)/CR	Balance (deficit) at 31 December 2021 (DR)/CR
International Cooperation						
R100163	SGF-2009-2020	54	-	(36)	-	18
R100265	SGA-Pre-2016	231	-	-	-	231
R100266	SGA-2016	22	-	-	-	22
R100364	WFF-2014	26	-	-	-	26
R100365	WFF - 2015-2021	188	19	(56)	-	150
R100407	RI Central Asia (Norway)	3	-	(2)	-	0
R100408	Nagao Wetland Fund (NEF Japan)	159	-	(19)	-	140
Total of International Cooperation		681	19	(114)	-	586
Listed Sites						
R100110	RAM	53	12	10	(16)	60
Total of Listed Sites		53	12	10	(16)	60
Other						
R100100	Admin	396	19	(59)	-	359
R100102	RSIS redevelopment	39	-	(1)	-	38
R100103	Web redevelopment	64	-	-	-	64
R100104	Development	27	-	-	-	27
R100105	Science Review	33	-	-	-	33
R100106	Strategic Plan 2016	18	-	-	-	18
R100108	COP12 Translation (FOEN-CH)	45	-	-	-	45
R100190	Water cycle	11	-	-	-	11
R100311	Rio Cruces	52	-	-	-	52
R100640	COP14 - China	(4)	-	-	-	(4)
R100700	CEPA	11	-	-	-	11
R100816	Danone 2016-2021	131	2	(75)	-	57
R100904	STRP NON-CORE	145	-	-	-	145
R100915	GENDER WORK	11	-	(18)	11	5
R100916	Capacity Building Non-Core	-	37	-	-	37
R100917	National Wetlands Inventories	-	143	-	-	143
R101006	Climate Change	28	15	(3)	-	40
R101007	Tropical Peatlands	53	-	(27)	-	27
R101108	Ramsar 50th & WWD 2021	16	-	(16)	-	-
Total of Other		1,076	215	(199)	16	1,108
Regional Initiatives						
R100146	Caribbean Wetlands	(2)	212	(11)	-	(200)
R100200	AVC, African Regional Initiatives	68	11	(42)	-	37
Total of Regional Initiatives		66	224	(53)	-	236
Grand Total		1,876	470	(356)	-	1,990

Annex 4

Proposed Core Budget 2022

(CHF '000s, includes possible rounding differences)

2022 Ramsar Budget ExCOP3 Approved CHF '000s	Approved budget (ExCOP3-approved) (A)	SC59 authorised use of 2020 budget savings (ExCOP3 approved) (B)	Pre-committed 2021 to be spent in 2022 (C)	Adjustments to 2022 ExCOP3 approved budget* (D)	Total 2022 budget (E)=(A)+(B)+(C)+(D)
INCOME					
Parties' Contributions	3,779	0	0	0	3,779
Voluntary contributions	1,065	0	0	0	1,065
Income Tax	225	0	0	0	225
Other Income (including Interest Income)	12	0	0	0	12
TOTAL INCOME	5,081	0	0	0	5,081
EXPENDITURES					
A. Secretariat Senior Management	1,030	5	0	0	1,035
Salaries, social costs and other benefits	990	0	0		990
Travel	40	5	0		45
B. Resource Mobilization and Outreach	594	45	211	0	850
Salaries, social costs and other benefits	438	0	0		438
CEPA Program	30	0	56		86
Comms, Translations, Publications and Reporting Implementation	60	40	57		157
WWD	0	0	12		12
Web/IT support and Development	56	0	0		56
Web re-development	0	0	86		86
Travel	10	5	0		15

2022 Ramsar Budget ExCOP3 Approved CHF '000s	Approved budget (ExCOP3-approved) (A)	SC59 authorised use of 2020 budget savings (ExCOP3 approved) (B)	Pre-committed 2021 to be spent in 2022 (C)	Adjustments to 2022 ExCOP3 approved budget* (D)	Total 2022 budget (E)=(A)+(B)+(C)+(D)
C. Regional Advice and Support	1,237	10	96	0	1,343
Salaries, social costs and other benefits	1,170	0	0		1,170
Travel	67	10	0		77
Ramsar Advisory Missions	0	0	96		96
D. Support to Regional Initiatives	100	0	76	0	176
Regional networks and centres**	100	0	0		100
Amazon Basin 2021 carry over	0	0	76		76
E. Scientific and Technical Services	839	5	224	0	1,068
Salaries, social costs and other benefits	651	0	0		651
Travel	18	0	10		28
Travel STRP Chair	5	0	12		17
STRP implementation	35	5	40		80
STRP meetings	50	0	0		50
Strategic Plan SP5 (2022 - 2024)	0	0	90	-	90
SDG 6.61 (Inventories)	0	0	72		72
Ramsar Sites Information Service (maintenance and develop)	80	0	0		80
G. Administration/Web	481	11	73	89.5	654
Salaries, social costs and other benefits	337	0	0		337
Staff hiring and departure costs	49	0	0	89.5	138
Travel	0	0	0		0
Equipment/Office Supplies	95	0	0		95
Planning and Capacity building	0	11	73		84

2022 Ramsar Budget ExCOP3 Approved CHF '000s	Approved budget (ExCOP3-approved) (A)	SC59 authorised use of 2020 budget savings (ExCOP3 approved) (B)	Pre- committed 2021 to be spent in 2022 (C)	Adjustments to 2022 ExCOP3 approved budget* (D)	Total 2022 budget (E)=(A)+(B)+(C)+(D)
H. Standing Committee Services	150	0	25	0	175
Standing Committee delegates' support	45	0	0		45
Standing Committee meetings	10	0	9		19
SC translation	60	0	0		60
Simultaneous interpretation at SC meetings	35	0	0		35
Effectiveness Working Group	0	0	14		14
Resolutions review (Res. XIII.4)	0	0	2		2
J. IUCN Administrative Service Charges (max.)	541	0	0	0	541
Administration, Human Resources, Finance & IT services	541	0	0		541
K. Miscellaneous - Reserve Fund	109	120	62	406.5	697
Staff Provisions	20	0	0		20
Provision for outstanding contributions	30	120	0		150
Additional reserve fund***	0	0	0	406.5	407
Exchange rate gains / losses	0	0	0		0
Legal Services	59	0	62		121
TOTAL EXPENDITURES	5,081	196	767	496	6,539

Note:

*as per the Standing Committee intersessional decision from early April 2022

**for consideration by SC62 (May-June 2023) for any new Regional Initiatives approved by COP14

*** from the SC58 - 2020 budget & uncommitted carry forward savings