

**CONVENTION ON WETLANDS (Ramsar, Iran, 1971)**

**30<sup>th</sup> Meeting of the Standing Committee  
Gland, Switzerland, 13-16 January 2004**

**DOC. SC30-10**

Agenda item 10.1

**Financial and budgetary matters**

***Action requested:* The Standing Committee is requested to review the attached documents and provide advice to the Secretariat, as appropriate.**

The following documents are attached:

**Review of 2002 income and expenditure audited accounts**

1. Balance sheet at December 31, 2002
2. Statement of income and expenditure for the year ended December 31, 2002
3. Report of the auditors: notes to the financial statements 2002

**Review of 2003 core and projects income and expenditure**

4. Forecast income for 2003
5. Forecast core expenditure for 2003

**Ramsar Secretariat budget for 2004**

6. Forecast core income for 2004
7. Forecast core budget for 2004

**Status of projects**

8. Status of projects managed by the Ramsar Secretariat, 2003 (see associated Excel file)

**SECRETARIAT OF THE CONVENTION ON WETLANDS OF INTERNATIONAL IMPORTANCE ESPECIALLY AS WATERFOWL HABITAT (RAMSAR, 1971) (NOTE 1)**

**BALANCE SHEET AT DECEMBER 31, 2002 (NOTE 2)  
(in Swiss Francs)**

	2002	2001
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Bank	608,902	713,574
Short Term Deposits	1,780,688	2,514,820
Membership Receivables	271,902	448,091
Other Receivables	86,334	120,034
	<u>2,747,826</u>	<u>3,796,519</u>
<b>FIXED ASSETS</b>		
Office Furniture and Computer Equipment at cost	146,579	128,643
Less: Accumulated Depreciation	<u>(124,206)</u>	<u>(104,731)</u>
	22,373	23,912
<b>TOTAL ASSETS</b>	<u><u>2,770,199</u></u>	<u><u>3,820,431</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT LIABILITIES</b>		
Amount payable to IUCN	99,540	328,677
Provision for leave liability - Note 5	67,147	67,147
Other Payables	503,072	729,933
<b>TOTAL LIABILITIES</b>	<u>669,760</u>	<u>1,125,758</u>
<b>FUND BALANCES</b>		
Unrestricted	119	119
Unrestricted reserve fund	212,156	380,697
Restricted projects - Note 3	1,888,164	2,313,857
	<u>2,100,439</u>	<u>2,694,673</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>2,770,199</u></u>	<u><u>3,820,431</u></u>

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2002**

NOTE 1

(in Swiss francs)

	Unrestricted Reserve Funds	Restricted Projects	Total	
			2002	2001
<b>INCOME</b>				
Contribution from Contracting Parties	2,536,810	0	2,536,810	2,471,190
Voluntary Contributions	696,960	0	696,960	683,320
Retained Swiss Income Tax	241,324	0	241,324	203,119
Interest & Publication Sales	35,301	0	35,301	110,714
Other Income	0	0	0	62,579
Project Income - Note 3		3,696,626	3,696,626	2,205,874
<b>Total Income</b>	<b>3,510,394</b>	<b>3,696,626</b>	<b>7,207,020</b>	<b>5,736,796</b>
<b>EXPENDITURE</b>				
Staff Cost	2,455,609	0	2,455,609	2,394,636
Hiring Interns	3,588	0	3,588	4,105
Travel	156,874	0	156,874	168,132
Purchase of equipment	6,465	0	6,465	2,407
IUCN Administrative services	444,000	0	444,000	439,810
Database	140,000	0	140,000	138,000
Communications	62,000	0	62,000	109,371
Reporting	91,046	0	91,046	122,208
Support to delegates	61,161	0	61,161	74,204
Depreciation	19,475	0	19,475	20,684
Auditor's Fees	6,000	0	6,000	6,000
Stationery and office supplies	30,303	0	30,303	31,134
Public relation / Promotion	26,660	0	26,660	27,822
Hospitality	5,837	0	5,837	11,496
Bank Charges	5,640	0	5,640	6,477
Miscellaneous	5,519	0	5,519	3,752
Provn: for Bad Debt	7,646	0	7,646	26,198
Outreach Program	0		0	25,478
Exchange loss - Note 4	287,112	0	287,112	37,888
	3,814,937	0	3,814,937	3,649,802
Project Expenditure - Note 3	0	3,986,317	3,986,317	2,005,499
<b>Total Expenditure</b>	<b>3,814,937</b>	<b>3,986,317</b>	<b>7,801,254</b>	<b>5,655,301</b>
<b>EXCESS OF INCOME OVER</b>				
<b>EXPENDITURE FOR THE YEAR</b>	<b>(304,542)</b>	<b>(289,692)</b>	<b>(594,234)</b>	81,495
<b>TRANSFERS BETWEEN FUNDS IN 2002</b>	136,002	(136,002)	0	0
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	380,697	2,313,857	2,694,554	2,613,059
<b>FUND BALANCE AT END OF YEAR</b>	<b>212,156</b>	<b>1,888,164</b>	<b>2,100,320</b>	<b>2,694,554</b>

**Convention on Wetlands  
of International Importance especially  
as Waterfowl Habitat (Ramsar, 1971)**

**Report of Auditors  
to the Contracting Parties**

**Financial Statements 2002**

**Secretariat of the Convention on Wetlands of International Importance  
especially as Waterfowl Habitat (Ramsar, 1971)**

**Notes to the financial statements 2002**

**Note 1 – Activity**

The “Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar, 1971)” (the Convention) is an intergovernmental treaty for the conservation and wise use of wetlands. Under the treaty the Contracting Parties agree, inter alia, to:

- promote the conservation and wise use of wetlands through international co-operation
- implement the conservation and wise use of wetlands within their territory
- encourage research and exchange of data regarding wetlands
- endeavor to establish and manage reserves for wetlands and to increase waterfowl populations on wetlands
- promote training of competent personnel in the field of wetlands research, management and wardening.

The Convention’s Secretariat, which is not a separate legal entity, is constituted under Article 8 of the convention and administered as an independent unit by and from the offices of IUCN (The World Conservation Union), Gland, Switzerland. The Secretariat’s functions include the provision of administrative, technical and scientific support to the Contracting Parties, maintaining a List of Wetlands of International Importance and notifying Contracting Parties of additions to that List.

**Note 2 – Summary of significant accounting principles**

**Contributions from Contracting Parties**

These contributions are accounted for on an accrual basis.

**Voluntary contributions and other income**

Voluntary contributions and other income are accounted for on a cash basis.

**Expenditure**

The Secretariat accounts for expenditure on an accrual basis.

**Unrestricted Funds**

Unrestricted funds are funds that are not subject to any externally imposed restrictions upon their use. The Secretary General is empowered by the Standing Committee of the Convention to designate certain of these funds for project purposes.

**Restricted use Funds**

Restricted use funds are donated funds subject to externally imposed restrictions as to their use.

**Currency translation**

The Secretariat's accounting records are maintained in Swiss Francs. Assets and liabilities in other currencies are translated at exchange rates ruling at the year-end. Items of income and expenditure in other currencies are included in the financial statements at the exchange rate prevailing at the transaction date.

**Membership Receivables – Bad Debts Calculation**

The method of calculating the provision for bad debts was unchanged in comparison with last year; "probable" debtors were calculated at 50%, "possible" debtors were calculated at 25% and all other unpaid contributions were calculated at 5%. Two debtors (Armenia and Yugoslavia) were calculated at 90%. A few countries which have accumulated from 1999 a total of CHF 47,511 of non-paid contributions were not singled out in this year's calculation of bad debt amount. These amounts will be included in the "possible" group in the next year's calculations in the event where the countries concerned do not rectify the situation.

**Fixed assets**

Fixed assets, comprising office furniture and computer equipment, are depreciated over their estimated useful lives, as follows:

-	Office furniture	7 years
-	Office equipment	4 years
-	Computer hardware/software	3 years.

**Reserve fund**

In accordance with the decision of the 6<sup>th</sup> meeting of the Conference of the Parties establishing the reserve fund, the entirety of the core funds balance is attributed to the reserve fund.

Contributions relating to periods prior to 1994 are accounted for through the reserve fund.

## NOTES TO FINANCIAL STATEMENTS 2002

### NOTE 3 - PROJECT EXPENDITURE

	Project No.	Balance (deficit) December 31, 2001	Income during 2002	Expenditu re during 2002	Project Transfer s in 2002	Core Transfer s in 2002	Balance (deficit) Dec. 31, 2002
<b>PROJECTS FINANCED BY RESTRICTED FUNDS</b>							
<b>Listed Sites:</b>							
Ramsar Advisory Missions (RAMs)	7002-000	47,786	9,448	(12,883)	0	0	44,351
		<u>47,786</u>	<u>9,448</u>	<u>(12,883)</u>	<u>0</u>	<u>0</u>	<u>44,351</u>
<b>International Co-operation:</b>							
Twinning of Wetlands	7026-000	6,302	0	0	(6,302)	0	0
	7072- 000&010	132,337	0	(18,155)	2,165	0	116,347
Medwet Co-ordination	7076-000	6,375	0	(3,199)	0	0	3,176
Austria - Kenya twinning	7079-000&	30,169	223,233	(439,455)	0	0	(186,053)
Evian Initiative	7071-000	8,219	0	0	(219)	0	8,000
Swiss Grant 1997	7081-000	7,482	0	0	418	0	7,900
Swiss Grant 1998	7088-000	6,207	0	0	(199)	0	6,008
Swiss Grant 1999	7093-000	14,742	0	(4,000)	0	0	10,742
Swiss Grant 2000	7100-000&	0	231,560	(72,691)	0	(17,160)	141,709
Swiss Grant 2002	7500-000&	733,086	476,322	(396,554)	100,000	(55,436)	857,417
Small Grants Fund	7056-000&	578,314	602,308	(502,038)	0	(58,819)	619,765
WFF: Training / Education	7087-000	306,040	(100,000)	0	(59,896)	0	146,144
Japan Vol. Contr. for 97-99	7091-000	17,805	(13,817)	0	(3,988)	0	0
GEF - Iran							
		<u>1,847,078</u>	<u>1,419,606</u>	<u>(1,436,092)</u>	<u>31,979</u>	<u>(131,416)</u>	<u>1,731,155</u>
<b>Communications:</b>							
Ramsar promotion book	7086-000	119,851	0	(109,239)	0	0	10,612
Covention Outreach Program	7090-000	15,209	3,500	(29,551)	29,393	0	18,551
		<u>135,060</u>	<u>3,500</u>	<u>(138,790)</u>	<u>29,393</u>	<u>0</u>	<u>29,163</u>
<b>Meetings:</b>							
Zones Humides Pologne	7043-000	6,926	0	0	(6,926)	0	0
STRP Working Groups	7094-000	20,684	0	(2,417)	0	0	18,267
COP8	7095-000&	9,304	1,696,876	(1,792,744)	7,273	0	(79,291)
European Regional meeting	7096-000	(50,892)	55,033	0	0	0	4,141
Asian Regional meeting	7097-000&	98,998	10,929	(69,825)	(40,102)	0	0
African Regional meeting	7098-000&	46,853	123,585	(158,693)	0	0	11,744
America Regional meeting	7099-000&	73,184	211,684	(209,121)	0	0	75,747
Interpretation for Sub-Gr COP8	7101-000	22,177	0	(1,475)	0	0	20,702
CEPA w.shop Valencia Spain	7106-000	0	0	(35,814)	0	0	(35,814)
		<u>227,235</u>	<u>2,098,105</u>	<u>(2,270,089)</u>	<u>(39,755)</u>	<u>0</u>	<u>15,496</u>
<b>Others:</b>							
Ramsar 25th Anniversary Pledges	7066-000	17,285	0	0	0	0	17,285
Ramsar Manual, French Translation	7057-000	12,177	0	0	(12,177)	0	0
Special Requests	7070-000	27,237	10,931	(28,645)	0	0	9,522
DGIS Inland water	7102-000	0	2,808	(2,847)	39	0	0
Transboun. Mgt Ramsar & W.Heritage	7103-000	0	20,000	0	0	0	20,000
High Altit W.L./Lake W.S China	7104-000	0	45,862	(20,291)	0	(4,586)	20,985
Particip Mgt Netwk Serv PMNS	7105-000	0	76,887	(76,680)	0	0	207
		<u>56,699</u>	<u>156,488</u>	<u>(128,464)</u>	<u>(12,138)</u>	<u>(4,586)</u>	<u>67,999</u>
		<u>2,313,858</u>	<u>3,687,147</u>	<u>(3,986,317)</u>	<u>9,479</u>	<u>(136,002)</u>	<u>1,888,165</u>

**Note 4 – Exchange gain/(loss)**

There was no exchange gain this year, but a net loss of CHF 287,112.00. Exchange gains/losses directly attributable to projects are dealt with under project expenditure.

**Note 5 – Accrued Leave**

In the year 2000 CHF 67,147 was accrued for this purpose and we feel that it reasonably covers this potential liability.

**FORECAST CORE INCOME FOR 2003**  
( Swiss francs)

<b>INCOME</b>	<b>COP8 Approved Income</b>	<b>As of End October</b>	<b>Forecast Dec.</b>	<b>Balance / Deficit</b>
Contributions From Parties	2,649,869	2,652,728	2,652,728	2,859
USA Voluntary Contribution	732,284	732,298	732,298	14
Swiss Tax Rebate	220,000	200,479	238,952	18,952
Interest Income	130,000	10,831	11,000	-119,000
Miscellaneous Income		138	138	138
Totals	3,732,153	3,596,475	3,635,117	-97,037

\* IUCN charged 8% more of taxes in 2003, so that employees would not have to pay from their pockets when they make their biennium tax declaration. But we will have to reimburse any extra amount for those employees whose tax rate would remain the same or be lower



<b>FORECAST CORE EXPENDITURE FOR 2003</b>				
<b>(Swiss francs)</b>				
<b>EXPENDITURES</b>		<b>COP8 Approved Expenditure</b>	<b>As of</b>	<b>Forecast</b>
			<b>End</b>	
			<b>October</b>	<b>Dec.</b>
<b>1</b>	<b>STAFF COSTS</b>			
	a) Salaries and social charges	2,120,243	1,965,642	2,349,642
	b) Other employment benefits	194,536	40,159	55,000
	c) Staff hiring and departure costs	25,000	81,163	101,163
		<b>2,339,779</b>	<b>2,086,964</b>	<b>2,505,805</b>
<b>2</b>	<b>SCIENTIFIC AND TECHNICAL SERVICES</b>			
	a) Ramsar Sites Database	<b>160,000</b>	<b>160,000</b>	<b>160,000</b>
	b) STRP Support Service Consultants	110,000	42,500	110,000
<b>3</b>	<b>SUPPORT TO REGIONAL INITIATIVES</b>	<b>82,386</b>	82,386	82,386
<b>4</b>	<b>TRAVEL ON OFFICIAL BUSINESS (International)</b>	110,000	106,747	110,000
<b>5</b>	<b>PURCHASE &amp; MAINTENANCE OF EQUIPMENT/ OFFICE SUPPLIES (including depreciation)</b>	20,000	5,485	20,000
<b>6</b>	<b>ADMINISTRATIVE SERVICES &amp; OPERATING COSTS</b>			
	a) IUCN Services	452,000	339,000	452,000
	b) Operating Costs	97,000	52,235	70,000
	c) Simultaneous interpretation at SC mtgs	15,000	13,350	13,350
<b>7</b>	<b>COMMUNICATIONS AND REPORTING</b>			
	a) Publications	145,000	102,933	120,000
	b) Newsletter			
<b>8</b>	<b>SUBSIDIARY BODIES</b>			
	a) Standing Committee delegate support	42,000	30,173	30,173
	b) STRP members' support	42,000	40,474	40,474
	c) Regional representatives' support			
<b>9</b>	<b>COP-related Secretariat costs</b>	<b>43,399</b>	<b>43,399</b>	<b>43,399</b>
<b>10</b>	<b>MISCELLANEOUS</b>			
	a) Bad debt provision	20,000		20,000
	b) Exchange loss			40,000
	<b>COP8 APPROVED BUDGET</b>			
	<b>TOTAL FORECAST EXPENDITURE</b>	<b>3,678,564</b>	<b>3,105,646</b>	<b>3,817,587</b>
	<b>FORECAST INCOME *</b>			<b>3,635,117</b>
	<b>Difference</b>			<b>-182,471</b>

<b>FORECAST CORE INCOME FOR 2004</b>			
<b>( Swiss francs)</b>			
	<b>COP8</b>	<b>Forecast</b>	<b>Balance</b>
<b>INCOME</b>	<b>Approved</b>		<b>/</b>
	<b>Income</b>	<b>Dec.</b>	<b>Deficit</b>
Contributions From Parties	2,748,338	2,748,338	0
USA Voluntary Contribution	760,256	760,256	0
Swiss Tax Rebate*	230,000	211,600	-18,400
Interest Income	140,000	11,000	-129,000
Miscellaneous Income			0
Totals	3,878,594	3,731,194	-147,400

\* IUCN charged 8% more of taxes in 2003, so that employees would not have to pay from their pockets when they make their biennium tax declaration. But we will have to reimburse any extra amount for those employees whose tax rate would remain the same or be lower

<b>FORECAST CORE BUDGET FOR 2004</b>			
( Swiss francs )		<b>COP8</b>	<b>2004</b>
<b>EXPENDITURES</b>		<b>Approved expenditure</b>	<b>Forecast expenditure</b>
<b>1</b>	<b>STAFF COSTS</b>		
	a) Salaries and social charges	2,183,850	2,277,527
	b) Other employment benefits	198,427	51,000
	c) Staff hiring and departure costs	15,000	40,000
		2,397,277	2,368,527
<b>2</b>	<b>SCIENTIFIC AND TECHNICAL SERVICES</b>		
	a) Ramsar Sites Database	<b>180,000</b>	<b>180,000</b>
	b) STRP Support Service	110,000	110,000
	Consultants		
<b>3</b>	<b>SUPPORT TO REGIONAL INITIATIVES</b>	<b>86,150</b>	<b>86,150</b>
<b>4</b>	<b>TRAVEL ON OFFICIAL BUSINESS (Int'l)</b>	115,000	115,000
<b>5</b>	<b>PURCHASE &amp; MAINTENANCE OF EQUIPMENT/ OFFICE SUPPLIES (including depreciation)</b>	23,000	25,000
<b>6</b>	<b>ADMINISTRATIVE SERVICES &amp; OPERATING COSTS</b>		
	a) IUCN Services	460,000	460,000
	b) Operating Costs	97,000	90,000
	c) Simultaneous interpretation at SC meetings	15,000	15,000
<b>7</b>	<b>COMMUNICATIONS AND REPORTING</b>		
	a) Publications	150,000	150,000
	b) Newsletter		
<b>8</b>	<b>SUBSIDIARY BODIES</b>		
	a) Standing Committee delegate support	45,000	45,000
	b) STRP members' support <sup>1</sup>	20,000	20,000
	c) Regional representatives' support		
<b>9</b>	<b>COP related costs incurred by the Secretariat</b>	<b>107,280</b>	<b>107,280</b>
<b>10</b>	<b>MISCELLANEOUS</b>		
	a) Bad debt provision	20,000	20,000
	b) Exchange loss		50,000
	<b>COP8 APPROVED BUDGET</b>		
	<b>TOTAL FORECAST EXPENDITURE</b>	<b>3,825,707</b>	<b>3,841,957</b>
	<b>FORECAST INCOME*</b>	<b>3,878,594</b>	<b>3,731,194</b>
	<b>Balance / Deficit</b>	<b>52,887</b>	<b>-110,763</b>

1) The STRP meeting held in Dec.2004 will be charged to 2005 (as budgeted)

\* Including Interest & Swiss income tax rebate