

Report of the Subgroup on Finance

1. The Subgroup on Finance met on 27 April 2010 at 1000 h. Apologies were received from Nigeria. Subgroup members present were Finland (Chair), China, Jamaica, Marshall Islands, Mexico, and the United Republic of Tanzania representing Nigeria.
- a) & b) Review of 2009 core and projects income and expenditure, including audited financial statements (DOC. SC41-3) and Current Status of the Reserve Fund (DOC. SC41-4)**
2. The Subgroup reviewed the information provided in DOC. SC41-3, noting that core incomes and expenditures for 2009 were largely as budgeted, and that non-core income was a slight fall compared with 2008 with a substantial proportion coming from the Convention's partnership with the Danone Group, and noting that the net surplus of CHF 75,000 for 2009 has been transferred to the reserve fund.
3. The Subgroup on Finance **recommends** that the Standing Committee:
 - i. notes the small Core budget surplus for 2009 and approves the release CHF 25,000 of the reserve fund to support additional anticipated travel costs, including that of the new Partnership Officer, during 2010;
 - ii. notes with concern the continued fall in voluntary contributions and the increasing dependence upon non-Contracting Parties as a source for these contributions;
 - iii. approves the 2009 Financial Statements as presented in DOC. SC41-3, noting that these will be formally signed off by the auditors in May 2010.
- c) Status and summary of Secretariat services agreement with IUCN (DOC. SC41-5)**
4. The Subgroup noted the satisfactory operations of the new services agreement with IUCN, and that the charges will be finalized shortly and will take into account the recent office moves within the existing headquarters building.
5. The Subgroup **recommends** that the Standing Committee notes the satisfactory progress with the implementation of the Secretariat services agreement with IUCN.
- d) Contracting Parties that are consistently in arrears with payments to the Convention (DOC. SC41-6)**
6. The Subgroup noted the status of Contracting Party payment arrears, including that some Parties have never made such payments since their accession, recognizing that there are a number of different reasons for non-payment by such Parties and that the Secretariat maintains contact with these Parties to seek to resolve these matters.

7. The Subgroup **recommends** that the Standing Committee notes the Contracting Parties in each region that have long overdue contributions, particularly those that have never paid since acceding to the Convention, and strongly encourages these Contracting Parties to begin to address their arrears, including through the Standing Committee members and the members of the Subgroup on Finance working with such Parties in their region to help them resolve overdue contributions.

e) Review of process and mechanisms for Secretariat staff salary awards (DOC. SC41-7)

8. The Subgroup noted the advice provided in DOC. SC41-7, which was prepared by the Secretariat in response to Decision SC40-13, and its clarifications of the respective roles and responsibilities of the Secretary General in Secretariat personnel matters and those of IUCN as the Secretariat's host organization.

9. The Subgroup clarified that the salary approach outlined in DOC. SC41-7 would apply to all Secretariat staff including the Secretary General, but that any salary award for the Secretary General would be a matter for the Standing Committee's executive team.

10. The Subgroup supports the staff salary awards process outlined in DOC. SC41-07, and **recommends** that the Standing Committee notes the staff salary awards process, and requests the Secretariat to keep its implementation under review and report back to the Subgroup on Finance on this matter.

f) & g) Ramsar Secretariat Budget 2010 (Resolution X.2) (DOC. SC41-8 and SC41-9)

11. The Subgroup reviewed the proposals for the allocation of the core budget for 2010 in DOC. SC41-08.

12. The Subgroup **recommends** that the Standing Committee approves the allocations of the 2010 core budget.

13. Concerning voluntary contributions needed for aspects of requested Convention implementation in addition to the funds allocated in the core budget, the Subgroup reviewed the information and estimated funds needed for 2010-2012 for implementation in DOC. SC41-09.

14. The Subgroup **recommends** that the Standing Committee thanks those Parties that have made additional voluntary contributions, and notes the current decline in voluntary contributions. The Subgroup also **recommends** that the Standing Committee urges Standing Committee members and the Secretariat to redouble their efforts in finding voluntary funding to support mandated activities including the work of the STRP, the Small Grants Fund, and Ramsar Advisory Missions.

h) Towards a new budget framework for COP11 (DOC. SC41-10)

15. The Subgroup reviewed the proposals for a new budget framework for presentation to COP11 in DOC. SC41-10.

16. The Subgroup **recommends** that the Standing Committee welcomes the proposals for a new budget framework for presentation to COP11 covering voluntary and in-kind

contributions, and requests the Secretariat to prepare such a document for further consideration by the Subgroup on Finance and the 42nd meeting of the Standing Committee.

i) Progress report on engagement with the Global Environment Facility (GEF) (DOC. SC41-11)

17. The Subgroup received the Secretary General's report on progress with GEF engagement, including opportunities for the Standing Committee members to help increase engagement and recognition of Ramsar in GEF including through its upcoming General Assembly meeting in Uruguay, particularly in seeking recognition of the GEF International Waters focal area as a funding mechanism for the Convention.
18. It was suggested that, following the manner in which other Conventions such as the Convention on Biological Diversity (CBD) and Convention to Combat Desertification (UNCCD) had achieved recognition that GEF acts as a funding instrument for their implementation, a draft Resolution for Ramsar COP11 could be developed concerning these matters.
19. The Subgroup **recommends** that the Standing Committee:
 - i. urges its members and other Contracting Parties to work with their delegations to GEF meetings to seek to secure recognition of GEF as a recognized funding mechanism for Ramsar and wetlands; including
 - ii. requests the Secretariat to explore whether an appropriate process to achieve this would be through the preparation of a Ramsar COP11 draft Resolution recognizing Parties' willingness to accept GEF as a funding mechanism for the Convention, including under GEF focal areas including international waters, climate change, land degradation and biodiversity, noting the Ramsar Convention's role as lead implementation partner of the Convention on Biological Diversity for wetlands; and
 - iii. the development (simultaneously or subsequently) of an MoU with GEF on these matters.

j) Report on the Small Grants Fund (DOC. SC41-12)

20. The Subgroup reviewed the information about SGF status, noting that 29 projects for 2009 were approved but that currently there have been no new recent voluntary contributions to be sufficient to fund these projects, but that the project portfolio has attracted funding for four projects from countries and the Danone Group, and that to be efficiently viable an annual level of approximately CHF 500,000 is needed.
21. Subgroup **recommends** that the Standing Committee continues to urge Parties and others to find ways and means for supporting the SGF and increasing its capacity to fund project proposals.

k) Regional Initiatives 2009-2012 in the framework of the Ramsar Convention - financial matters (DOC. SC41-13)

22. The Subgroup reviewed the proposals in DOC. SC41-13 paragraph 23 concerning allocation of regional initiative funds for 2010, and the accrual of any unallocated funds in 2010 for allocation under the same budget line for 2011 at the 42nd meeting of the Standing Committee.
23. The Subgroup **recommends** that the Standing Committee approves allocation of funds to regional initiatives for 2010 are as follows (as per paragraph 23 of DOC. SC41-13):

regional initiative (all amounts in CHF)	left over from 2009	total budget 2010	Ramsar request for 2010	allocation proposal for 2010	total Ramsar funding in the past ²
i) networks					
High Andean	nil	460,000	22,000	22,000	86,000
West African Coast	6,800	not known	none	nil	137,700
Carpathian	13,847	114,150	37,500	¹ 37,500	37,500
Caribbean	nil	246,000	32,000	32,000	25,000
American mangroves	nil	25,000	25,000	25,000	25,000
La Plata river basin	nil	44,000	20,000	20,000	none
Black Sea Coast	29,819	53,000	none	¹ nil	44,690
total for networks			136,500	136,500	
ii) centers					
CREHO - Panama	³ 23,643	233,000	23,643	¹ 23,643	183,643
RRC-CWA - Ramsar	97,000	313,000	60,000	¹ 60,000	160,000
RAMCEA - Kampala	30,543	245,000	40,000	¹ 40,000	76,357
total for centers			123,643	123,643	
Totals			260,143	260,143	

¹ The proposed 2010 allocation takes into account left overs from 2009 and expresses additional needs. For details see the individual plans for 2010.

² Up to and including the total allocation for 2009.

³ Reported as being spent in 2009, but not yet reimbursed by the Secretariat, see DOC. SC41-13.

24. The Subgroup **recommends** that the Standing Committee approves the accrual of any unallocated funds in 2010 for allocation under the same budget line for 2011 at the 42nd meeting of the Standing Committee.
25. The Subgroup **recommends** that the Standing Committee approves the improved “Combined format for annual reporting and forward planning” by the Regional Initiatives, as attached in Annex I of DOC. SC41-13.
26. The Subgroup **recommends** that the Standing Committee welcomes the model contract (“letter of agreement”) in Annex II of DOC. SC41-13, used by the Secretariat to disburse annual Ramsar core budget allocations to Regional Initiatives, and specifying the reporting requirements, subject to minor textual corrections for clarity of purpose.