

CONVENTION ON WETLANDS (Ramsar, Iran, 1971)
40th Meeting of the Standing Committee
Kobuleti, Georgia, 26 April – 1 May 2010

DOC. SC41-03

Agenda item 8

Review of 2009 Core and projects income and expenditure

Action requested: The Standing Committee is invited to note the contents of this report and advise as appropriate.

1. Attached to this note is the final draft of the financial statements for 2009. These include:
 - Management accounts with 2009 Core budget vs actual with 2008 actual for comparison
 - Statement of Income and Expenditure (statutory format) - Core and Projects
 - Balance Sheet (statutory format)
 - Analysis of projects financed by Restricted Funds.

2. **Core budget**
 - It is the objective of the Secretariat to break even each year, with Core incomes and expenditures largely in balance. 2009 has seen a net surplus of CHF 187,000 before transfers to restricted projects. The Secretary General anticipates that the Parties would expect to see CHF112,000, being the unspent amounts ring-fenced for the Partnership Coordinator post and for Regional Initiatives, transferred to restricted projects for use on these activities in 2010, as reflected in the draft financial statements. The Subgroup on Finance is invited to recommend this course of action to the Standing Committee. This leaves a net surplus for 2009 of CHF 75,000, underlining the generally cautious fiscal approach of the Secretary General in an uncertain financial environment, together with a less harsh year-end exchange rate effect in 2009 that was feared.

 - The principal under- and overspends compared with the COP10-approved budget for 2009 are explained below:

Income	CHF'000	
Retained Swiss income tax	-23	Due to changes in personal tax situation of various members of staff, tax rebates to Ramsar have reduced.
Expenditure		
Partnership Coordinator	87	SC40 decision to defer position creation until 2010 –allocation transferred to restricted projects.
Regional Initiatives underspend	25	Allocation to Himalayan Initiative withheld –allocation transferred to restricted projects for use in 2010.
Communications underspend	42	Ecosystem services factsheet expenditure slipped out of 2009 into 2010, together with some of the work on the Handbook revisions. The CEPA panel meeting was deferred to 2010.
Charge for increase in exchange loss and bad debt provisions	32	2009 increase not required.
Other	15	Individually small amounts
Total	187	
	(112)	Transfers to restricted projects
Net surplus	75	

3. There are also a few unders and overs in the various staff salary lines – these reflect very minor budgeting anomalies. 2009 salary increases of 2.6% were given, to reflect Swiss cost of living increase. No performance-related increases were given. This compared with a budgeted increase in salaries of 4%. Expatriate benefit costs (especially school fees) were greater than budgeted for.
4. **Non-core budget**
 - 2009 non-core, project income was CHF 1,781,000, a slight fall over 2008. Of this CHF 874,000 came from Danone.
 - In 2009 USFWS granted the Secretariat CHF103,000 to fund additional consultancy support resources for the Americas team at the Secretariat.
 - Wetlands for the Future income declined to CHF 16,000, in part due to adverse exchange rates.
 - CHF 86,000 of new income came from DEWHA, Australia (to fund the work of the Ad Hoc Working Group on Administrative Reform).
 - Modest STRP funding was received from CBD, UK, Finland, Norway, Tanzania.

5. Other items of note in the financial statements include:
 - The cost of the 2009 Standing Committee meeting was CHF11,000 greater than that budgeted, due to escalating interpretation costs and the increased travel costs of a greater number of sponsored delegates on the Committee. However, generous 2009 travel funding from Norway allowed some of this cost increase to be offset.
 - Travel costs have been closely managed. The budget continues to be inadequate for the desired activity levels of Ramsar management.
 - IUCN charges for the year were CHF 550,000, of which CHF 515,000 (13%) have been charged to the Core budget and CHF 35,000 to the non-Core administrative fees account where it is covered by overhead charges recovered from Danone.
 - There was a strong cash and thus interest income in 2009 due to good collection of contributions and close cash management, with high year-end external and IUCN creditor balances.
6. Final audited accounts for 2008 are attached. There are no significant changes between the financial statements provided to SC40 and the final audited accounts.
7. Final audited accounts for 2009 will be available from May 2010.

Appendices:

Income and expenditure tables
Auditors' report

Ramsar Financial Statements
Final draft for SC-41 1/4

RAMSAR CONVENTION SECRETARIAT EXPENDITURE BUDGET VS. ACTUAL 2009 CORE ONLY (Swiss francs '000)				Actual 2008
	Budget COP10 2009	Actual 2009	(Overspend)/ underspend	
INCOME				
1	3,337	3,337		3,281
2	941	941		903
3	250	227	(23)	215
4	12	22	10	72
	Total Income	4,540	4,526	(14)
				4,471
EXPENDITURES				
A SECRETARIAT SENIOR MANAGEMENT				
a	465	465		459
b	29	37	(8)	40
M PARTNERSHIP CO-ORDINATOR				
a	87	87		
B REGIONAL ADVICE & SUPPORT				
a	1,091	1,141	(50)	1,112
b	80	70	10	63
				0
C SUPPORT TO REGIONAL INITIATIVES				
a	179	279		179
b	100			102
D SCIENTIFIC AND TECHNICAL SERVICES				
a	206	206		217
b	183	172	11	200
c	170	170		170
d	15	26	(11)	24
E CEPA -COMMUNICATION, EDUCATION &PUBLIC AWARENESS				
a	426	413	13	396
b	30	20	10	15
c	151	109	42	93
F ADMINISTRATION & PERSONNEL MANAGEMENT				
a	247	212	35	195
b	38	40	(2)	38
c	50	81	(31)	54
d	36	18	18	15
G FINANCE MANAGEMENT				
a	205	186	21	203
				0
H OPERATING COSTS				
a	77	77		97
b	12	17	(5)	14
I STANDING COMMITTEE SERVICES				
a	47	37	10	101
b	26	34	(9)	67
J MISCELLANEOUS				
a	15	4	11	23
b	35	14	21	135
e	25	22	3	13
K IUCN Service Charges (13%)				
	514	515	(1)	474
L COP				
	Total Expenditure	4,540	4,276	89
				4,534
	Net Surplus Deficit for the year	0	75	75
				(62)

Ramsar Financial Statements 2009
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RAMSAR

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE PERIOD OF JAN - DEC 2009**

(in '000 Swiss francs)

	2009			2008		
	Core Funds	Restricted Projects	Total	Core Funds	Restricted Projects	Total
	Jan-Dec2009	Jan-Dec2009	Jan-Dec2009	Jan-Dec2008	Jan-Dec2008	Jan-Dec2008
INCOME						
External Income	3,337	0	3,337	3,281	0	3,281
Contributions from Contracting Parties	0	0	0	0	143	143
Contrib from Contracting Parties Med Wet	941	0	941	903	0	903
US Voluntary Contributions	227	0	227	215	0	215
Retained Swiss Income Tax	1	3	4	0	22	22
Exchange Gain	21	1	23	72	14	85
Interest Income	0	(6)	(6)	0	4	4
Miscellaneous Income	0	1,781	1,781	0	1,841	1,841
Project External Income	4,526	1,780	6,307	4,471	2,023	6,494
Total external income						
Internal Income and Expenditure	(262)	262	0	(87)	87	0
Transfer between core and projects	4,264	2,042	6,307	4,383	2,111	6,494
Total Income						
EXPENDITURE	2,816	278	3,093	2,777	299	3,076
Staff Cost	22	0	22	13	0	13
Staff Provision	5	0	5	4	1	5
Hiring Interns	136	169	304	138	658	796
Travel	3	0	3	7	0	7
Purchase of equipment	514	31	545	473	0	473
IUCN charges	170	0	170	170	0	170
Database	35	23	58	32	25	57
Communications	143	161	303	137	620	757
Reporting	38	100	138	134	56	190
Standing commtt, STRP and Reg Rep support	59	1	60	71	30	101
STRP Support Services	161	0	161	229	0	229
Support to Regional Initiatives	0	712	712	0	734	734
Project Subcontracting/External Grants	14	0	14	7	0	7
Depreciation	17	0	17	18	0	18
Auditor's Fees	10	1	11	16	6	22
Stationery and office supplies	0	0	0	10	(10)	0
Public relations/ Promotion	9	6	15	11	1	12
Hospitality	2	1	3	3	1	4
Bank Charges	19	36	55	31	2	33
Miscellaneous	0	0	0	7	22	29
Legal fees	4	0	4	23	0	23
Provision on outstanding dues	14	13	27	135	34	168
Exchange loss	4,189	1,531	5,720	4,445	2,479	6,924
Total Expenditure						
NET SURPLUS/(DEFICIT) FOR THE YEAR	75	511	587	(62)	(369)	(430)
FUND BALANCE AT BEGINNING OF YEAR	363	2,190	2,552	484	2,499	2,983
NET INCOME OVER EXP FOR THE YEAR	75	511	587	(62)	(369)	(430)
TRANSFER (FROM) TO RESERVE FUND	(25)	25	0	(59)	59	0
FUND BALANCE AT END OF YEAR	413	2,726	3,139	363	2,190	2,552

RAMSAR

BALANCE SHEET

(in '000 Swiss Francs)

	Dec-09	Dec-08
ASSETS		
CURRENT ASSETS		
Cash and Bank	701	1,138
Short Term Deposits	3,333	2,442
Contracting Parties Receivables	233	228
MedWet Receivables	0	54
Other Receivables	47	49
	4,315	3,911
FIXED ASSETS		
Office Furniture and Computer Equipment at cost	228	210
Less: Accumulated Depreciation	(207)	(193)
	21	17
TOTAL ASSETS	4,336	3,928
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Amount owed to/(by) IUCN	563	324
Provision for Staff termination	135	128
Provision for Staff Repatriation	69	53
Other Payables	179	799
Accruals	251	70
	1,197	1,375
TOTAL LIABILITIES	1,197	1,375
FUND BALANCES		
Unrestricted reserve fund	413	363
Restricted projects	2,726	2,190
	3,139	2,553
TOTAL LIABILITIES AND FUND BALANCES	4,336	3,928

Ramsar Financial Statements 2009
Final Draft for SC-41 4/4

RAMSAR

ANNEX TO FINANCIAL STATEMENTS Jan-Dec 2009

PROJECTS FINANCED BY RESTRICTED FUNDS

(in Swiss Francs)

Project No.	Balance (deficit) at December 31, 2008 (DR)/CR	Income during 2009 (DR)/CR	Expenditure during 2009 (DR)/CR	Project Transfers and Cross charges (DR)/CR	Balance (deficit) at Dec 31, 2009 (DR)/CR	
Listed Sites:						
Ramsar Advisory Missions (RAMs)	7002-000	5	17	(4)	10	28
		<u>5</u>	<u>17</u>	<u>(4)</u>	<u>10</u>	<u>28</u>
International Co-operation:						
Evian Initiative	7079-000&	323	874	(495)	(140)	562
Danone Carbon Offset	7200-100	0	0	(40)	0	(40)
Swiss Grant for Africa 2002-3	7100-000&	195	319	(112)	(20)	381
Small Grants Fund	7500-000&	47	0	(7)	(22)	17
Small Grants fund 2004	7501-000	53	0	(16)	0	37
Small Grants Fund 2005	7501-100	33	0	(12)	0	21
Small Grants Fund 2006	7501-200	127	0	(30)	5	102
Small Grants Fund 2007	7501-300	56	0	(15)	0	41
Small Grants Fund 2008	7501-400	126	154	(168)	4	117
Small Grants Fund 2009	7501-500	0	0	0	21	21
WFF: Training / Education	7056-000&	920	125	(246)	(2)	797
Japan Vol. Contr. for 97-99	7087-000	24	0	0	(24)	0
		<u>1,903</u>	<u>1,472</u>	<u>(1,141)</u>	<u>(178)</u>	<u>2,057</u>
Meetings:						
High Altit W.L/Lake W.S China	7104-000	3	0	0	0	3
Ramsar Hand Book 3rd Ed.	7111-200	23	0	0	8	31
Cairo Regional Meeting	7200-010	0	0	(39)	46	7
Cote d'Ivoire Judiciaries W.shop	7200-000	0	34	(55)	21	0
2009 High Andean Meeting	7129-000	0	0	(54)	68	14
		<u>26</u>	<u>34</u>	<u>(147)</u>	<u>143</u>	<u>55</u>
Regional Initiatives:						
Medwet Annual Contributions	7072-000	59	(40)	(19)	0	0
Panama Center	7110-000	0	0	0	24	24
Iran Regional Center	7121-000	35	0	(3)	0	32
WacoWet Regional Initiative	7125-000	17	6	(10)	0	13
Core 2009 Regional Initiatives	7140-000	0	0	0	50	50
		<u>111</u>	<u>(34)</u>	<u>(32)</u>	<u>74</u>	<u>119</u>
Others:						
STRP Working Groups	7094-000&	31	66	(63)	46	80
Admin Fees	7107-000	114	34	(73)	68	142
High Andean Strategy	7120-000	25	0	(1)	0	24
COP 10 Korea	7130-100	(10)	0	(17)	27	0
COP 10 Misc	7130-300	(50)	40	1	8	0
COP 10 European Reg Meeting	7130-700	(7)	6	0	0	0
CEPA & tool kit	7119-000 &	2	9	0	0	10
GRASP Documentary	7122-000	(8)	4	0	4	0
FWS support to SC chair	7124-000	(12)	21	0	(9)	0
Reserve fund release	7126-000	59	0	0	(34)	25
Norway Travel Support	7200-200	0	25	(26)	1	0
Admin Reform Support	7200-300	0	86	(28)	0	58
Legal Support	7127-000	0	0	0	15	15
Caribbean Sub Reg Strategy	7128-000	0	0	0	25	25
Cameroon Pedalos	7141-000	0	0	1	0	1
Partnership coordinator	7150-000	0	0	0	87	87
		<u>144</u>	<u>292</u>	<u>(206)</u>	<u>238</u>	<u>469</u>
		<u>2,190</u>	<u>1,781</u>	<u>(1,531)</u>	<u>287</u>	<u>2,727</u>

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

*Financial Statements for the Year
ended December 31, 2008 and
Independent Auditors' Report*

AUDITORS' REPORT

To the Contracting Parties of the
**Convention on Wetlands of International Importance
especially as Waterfowl Habitat (Ramsar, 1971), Gland (Switzerland)**

Report on the financial statements

We have audited the accompanying financial statements of the Secretariat of the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar, 1971), which comprise the balance sheet, statement of income and expenditure, cash flow statement and notes for the year ended December 31, 2008.

Ramsar's management Responsibility

Ramsar's management is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the articles of the Convention. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Management is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

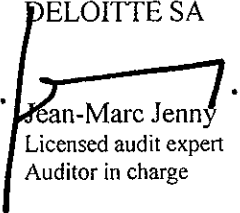
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2008 comply with Swiss law and the articles of the Convention.

DELOITTE SA


Jean-Marc Jenny
Licensed audit expert
Auditor in charge


Jürg Gehring
Licensed audit expert

July 8, 2009

Attached : Financial statements (balance sheet, statement of income and expenditure, cash flow statement and notes)

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

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2008
(in '000 Swiss francs)

	Notes	Unrestricted Reserve Funds 2008	2008 Restricted Projects 2008	Total 2008	Unrestricted Reserve Funds 2007	2007 Restricted Projects 2007	Total 2007
INCOME							
External Income							
Contributions from Contracting Parties		3'281	0	3'281	3'146	0	3'146
Contrib from Contracting Parties Med Wet	9	0	143	143	0	154	154
US Voluntary Contributions		903	0	903	869	0	869
Swiss Government Tax Rebate	8	215	0	215	227	0	227
Exchange Gain	3	0	22	22	7	9	15
Interest Income		72	14	85	75	28	103
Miscellaneous Income		0	4	4	4	2	6
Project External Income		0	1'841	1'841	0	2'014	2'014
Total external income		4'471	2'023	6'494	4'327	2'206	6'533
Internal Income and Expenditure							
COP Support		(87)	87	0	(70)	70	0
Net internal income and expenditure		(87)	87	0	(70)	70	0
Total Income		4'383	2'111	6'494	4'257	2'276	6'533
EXPENDITURE							
Staff Cost		2'777	299	3'076	2'669	199	2'868
Staff Provision	4	13	0	13	(34)	0	(34)
Hiring Interns		4	1	5	25	0	25
Travel		138	658	796	149	384	533
Purchase of equipment		7	0	7	(2)	0	(2)
IUCN Financial services		191	0	191	255	0	255
IUCN Administrative services		282	0	282	292	85	376
Database		170	0	170	160	0	160
Communications		32	25	57	35	19	55
Reporting		137	620	757	99	167	266
Standing commtt, STRP and Reg Rep support		134	56	190	48	13	62
STRP Support Services		71	30	101	72	31	102
Support to Regional Initiatives		229	0	229	181	0	181
Project Subcontracting/External Grants		0	734	734	0	1'059	1'059
Depreciation		7	0	7	9	0	9
Auditor's Fees		18	0	18	17	0	17
Stationery and office supplies		16	6	22	20	0	20
Public relations/ Promotion		10	(10)	0	31	0	31
Hospitality		11	1	12	14	0	14
Bank Charges		3	1	4	3	1	4
Miscellaneous		31	2	33	13	6	19
Legal fees		7	22	29	0	0	0
Provision on outstanding dues	7	23	0	23	(24)	0	(24)
Exchange loss	3	135	34	168	56	70	125
Total Expenditure		4'445	2'479	6'924	4'088	2'034	6'122
NET SURPLUS/(DEFICIT) FOR THE YEAR		(62)	(369)	(430)	169	242	411
FUND BALANCE AT BEGINNING OF YEAR		484	2'499	2'983	315	2'257	2'572
NET INCOME/(DEFICIT) FOR THE YEAR		(62)	(369)	(430)	169	242	411
TRANSFER (FROM) TO RESERVE FUND		(59)	59	0	0	0	0
FUND BALANCE AT END OF YEAR	10	363	2'190	2'553	484	2'499	2'983

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

CASH FLOW STATEMENT

(in '000 Swiss Francs)

	2008		2007	
Cash Flow from operating activities				
Net balance from operations		(62)		169
Adjustment for items not involving cash movements:				
Transfer to restricted project	(59)		0	
Depreciation charge for the year	7		9	
Net movement in provision for dues contracting parties	23		(23)	
Net movement in provision for staff termination	13		(18)	
Net movement in provision for staff repatriation	0		(17)	
Net adjustment for items not involving cash movements		(15)		(49)
Net cash from operating activities		(77)		120
Application of funds on fixed assets and working capital				
Purchase of fixed assets	(11)		(13)	
(Increase)/Decrease in contracting parties receivables	268		(346)	
(Increase)/Decrease in MedWet receivables	49		(84)	
(Increase)/Decrease in other receivables	59		11	
Increase/(Decrease) in amount owed to/(by) IUCN	114		(113)	
Increase/(Decrease) in other payables	240		87	
Increase/(Decrease) in accruals	7		(67)	
Net application of funds on fixed assets and working capital		726		(523)
Project Balances				
Increase/(Decrease) in project restricted funds		(310)		242
Net cash inflow/(outflow) for the year		339		(161)
Cash and short term deposits at the beginning of the year		3'241		3'402
Cash and short term deposits at the end of the year		3'580		3'241

Comprised of:				
Cash and bank		1'138		1'338
Short term deposits		2'442		1'903
Total cash and short term deposits at the end of the year		3'580		3'241

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACTIVITY

The Convention on Wetlands, signed in Ramsar, Iran, in 1971, is an intergovernmental treaty which provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources. The Convention's mission is the "Conservation and wise use of all wetlands through local, regional and national actions and international cooperation, as a contribution towards achieving sustainable development throughout the world".

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 – International Union for Conservation of Nature, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DEFINITIONS

i. Accounting Convention

The financial statements have been prepared under the historical cost convention and are in accordance with the generally accepted accounting principles set up in the provisions of the Swiss Code of Obligations.

ii. Currency

All figures are in thousands of Swiss francs (CHF) unless otherwise indicated.

iii. Contributions from Contracting Parties

Contributions from Contracting Parties are determined in accordance with the UN Scale of assessments for contributions of Member States to the United Nations budget approved by the UN General Assembly. These are then attributed to the Ramsar budget. Contributions are accounted for on an accruals basis.

iv. Voluntary contributions and other income

Any voluntary contributions and receipts of other income are accounted for on a cash basis, when they are received by Ramsar.

v. Expenditure

Expenditure is accounted for on an accruals basis.

vi. Unrestricted Funds

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

vii. Restricted Funds

Restricted funds are those funds provided by donors with restrictions applying to specific projects, geographical regions, specific activities or other externally imposed restrictions as to their use. These funds are applied only in accordance with the donor agreements.

viii. Foreign Exchange

The Secretariat's accounting records are maintained in Swiss Francs which is the reporting currency. Except for fixed assets which are stated at historical values, all assets and liabilities expressed in other currencies are translated at exchange rates ruling at the end of the year. Items of income and expenditure in other currencies are included in the financial statements at the exchange rate prevailing at the date of the transaction. Bank accounts expressed in USD and EURO or other currencies are revalued to Swiss Francs at the year-end rate of exchange.

ix. Year-end Exchange Rates

The following are the principal rates of exchange to the Swiss Franc used to revalue the balance sheet accounts at the end of the year.

	<u>31 December 2008</u>	<u>31 December 2007</u>
US Dollar	1.0561	1.1267
EURO	1.4888	1.6587

x. Provisions against dues receivables from contracting parties

The management of Ramsar applies a method of provisioning against outstanding dues from contracting parties as follows:

• Outstanding dues from contracting parties for 6 or more years	100%
• Outstanding dues from contracting parties for 5 years	80%
• Outstanding dues from contracting parties for 4 years	60%
• Outstanding dues from contracting parties for 3 years	40%
• Outstanding dues from contracting parties for 2 years	20%
• The rest of outstanding dues from contracting parties	5%

xi. Fixed assets

Fixed asset purchases are capitalized when the purchase price is CHF 500 and above (or the equivalent in other currencies) and when ownership resides with Ramsar. Fixed assets are depreciated over their estimated useful lives on the following basis:

• Office furniture	7 years
• Office equipment	5 years
• Computer hardware/software	3 years

xii. Reserve Fund

Resolution VI.17 of COP6 established a Reserve Fund to meet unforeseen and unavoidable expenditures.

The Fund's source of income is excess funds from each year's core operations.

The resources kept in the Fund are limited to a maximum of one-twelfth of the core budget of the current fiscal year.

3. EXCHANGE GAIN/(LOSS)

The net exchange loss of CHF 135K (2007 - CHF 49K) during the year was mainly due to the depreciation of the Euro and US Dollar against the Swiss Franc. Exchange gains and losses directly attributable to projects are dealt with under the respective projects.

4. PROVISIONS FOR STAFF TERMINATION AND REPATRIATION

Provisions for staff termination are amounts set aside to cover the Ramsar Convention in case of unplanned termination of staff contracts leading either to legal costs or redundancy payments or other costs not otherwise budgeted for. Management recommends a target of 10% of annual salary, which at the end of 2008 was estimated at CHF 129K. Provision for staff repatriation covers the estimated cost of repatriation of all international staff currently on the payroll.

	<u>2008</u>	<u>2007</u>
Provision for staff termination	129	115
Provision for staff repatriation	53	53
Total	----- 182 =====	----- 168 =====

5. OTHER RECEIVABLES

	<u>2008</u>	<u>2007</u>
Staff travel advances and loan	6	(1)
Withholding tax	30	36
Rent guarantees and sundry receivables	13	32
Pension and insurance receivables	-	41
	-----	-----
Total	49	108
	=====	=====

6. OTHER PAYABLES

	<u>2008</u>	<u>2007</u>
Membership prepayments	501	445
Account payables	235	114
Pension and insurance payables	63	-
	-----	-----
Total	799	559
	=====	=====

7. CONTRACTING PARTY RECEIVABLES, NET

	<u>2008</u>	<u>2007</u>
Gross membership dues receivable	507	775
Provision against dues in arrears	(279)	(256)
	-----	-----
Net membership dues receivable	228	519
	=====	=====

Provision against dues in arrears is calculated as per the policy stated under Note 2(x).

8. SWISS GOVERNMENT TAX REBATE

Non-Swiss staff are exempt from paying taxes on their earnings. In order to have one salary scale and to ensure equitable treatment of both Swiss and non-Swiss staff at Ramsar, an internal tax is levied on non-Swiss staff. This is shown as Swiss Government Tax Rebate and included as unrestricted income.

9. CONTRIBUTIONS FROM CONTRACTING PARTIES TO THE MEDWET INITIATIVE

Contributions for MedWet are determined by the MedWet Initiative and are collected on their behalf by Ramsar. Upon collection, monies received are transferred to MedWet.

10. UNRESTRICTED RESERVE FUND

The movement in the reserve fund is as follows:

	<u>2008</u>	<u>2007</u>
Opening balance	484	315
Surplus/(deficit) for the year	(62)	169
Transfer to restricted projects	(59)	-
	-----	-----
Closing balance	<u>363</u>	<u>484</u>

11. PROJECTS FINANCED BY RESTRICTED FUNDS

(in '000 Swiss Francs)

	Project No.	Balance (deficit) at December 31, 2007 (DR)/CR	Income during 2008 (DR)/CR	Expenditure during 2008 (DR)/CR	Project Transfers and Cross charges (DR)/CR	Balance (deficit) at December 31, 2008 (DR)/CR
Listed Sites:						
Ramsar Advisory Missions (RAMs)	7002-000	26	8	(29)	0	5
		<u>26</u>	<u>8</u>	<u>(29)</u>	<u>0</u>	<u>5</u>
International Co-operation:						
Evian Initiative	7079-000&	482	586	(634)	(111)	323
Swiss Grant for Africa 1997	7071-000	8	0	0	(8)	0
Swiss Grant for Africa 2002-3	7100-000&	259	0	(58)	(7)	195
Small Grants Fund	7500-000&	145	0	(0)	(98)	47
Small Grants fund 2004	7501-000	43	0	0	9	53
Small Grants Fund 2005	7501-100	33	0	0	(0)	33
Small Grants Fund 2006	7501-200	162	0	(43)	9	127
Small Grants Fund 2007	7501-300	118	39	(60)	(41)	56
Small Grants Fund 2009	7501-400	0	25	0	102	126
WFF: Training / Education	7056-000&	907	241	(211)	(17)	920
Japan Vol. Contr. for 97-99	7087-000	24	0	0	0	24
		<u>2'181</u>	<u>891</u>	<u>(1'006)</u>	<u>(162)</u>	<u>1'903</u>
Meetings:						
High Altit W.L/Lake W.S China	7104-000	3	0	0	0	3
Ramsar Hand Book 3rd Ed.	7111-200	23	0	(0)	0	23
Cop 9 Sponsored Delegates	7111-300	(7)	0	0	7	0
		<u>19</u>	<u>0</u>	<u>(0)</u>	<u>7</u>	<u>26</u>
Regional Initiatives:						
Medwet Annual Contributions	7072-000	75	143	(154)	(6)	59
Medwet Evaluation 2007	7072-300	(6)	0	0	6	0
Panama Center	7110-000	3	0	0	(3)	0
		<u>73</u>	<u>143</u>	<u>(154)</u>	<u>(3)</u>	<u>59</u>
Other Projects:						
STRP Working Groups	7094-000&	96	0	(100)	35	31
Admin Fees	7107-000	65	0	(46)	95	114
High Andean Strategy	7120-000	66	0	(12)	(29)	25
COP 10 Korea	7130-100	(12)	564	(555)	(7)	(10)
COP 10 Korea 2008 Admin	7130-200	0	40	(41)	1	0
COP 10 Misc	7130-300	0	267	(415)	99	(50)
COP 10 Africa Reg Meeting	7130-400	(34)	0	6	28	0
COP 10 Americas Reg Meeting	7130-500	(70)	26	0	44	0
COP 10 Asia Reg Meeting	7130-600	66	0	12	(78)	0
COP 10 European Reg Meeting	7130-700	0	32	(45)	6	(7)
MAVA Culture on Med. Wetlands	7130-800	0	29	(29)	(0)	0
CEPA & tool kit	7119-000 &	10	0	(8)	0	2
Iran Regional Center	7121-000	0	0	0	35	35
GRASP Documentary	7122-000	9	0	(17)	0	(8)
Carpathian Wetlands Initiative	7123-000	3	5	(8)	0	0
FWS support to SC chair	7124-000	0	20	(32)	0	(12)
WacoWet Regional Initiative	7125-000	0	0	0	17	17
Reserve Fund Release	7126-000	0	0	0	59	59
		<u>201</u>	<u>982</u>	<u>(1'290)</u>	<u>304</u>	<u>196</u>
		<u>2'499</u>	<u>2'023</u>	<u>(2'479)</u>	<u>146</u>	<u>2'190</u>