

Agenda item 8

### Current status of the Reserve Fund

**Action requested:** The Standing Committee is invited to note the contents of this report and consider the Secretary General's suggestions about the use of the Reserve Fund excess.

1. The Reserve Fund (established by Resolution VI.17, 1996) comprises excess/deficit funds from each year's core budget to be used to meet unforeseen and unavoidable expenditures. The resources kept in the Reserve Fund are limited to a maximum of 1/12<sup>th</sup> of the core budget of the current fiscal year. The Fund is to be administered by the Secretary General under the guidance of the Subgroup on Finance as established by the Standing Committee.
2. In Resolution X.2 (2008), para 21, the Contracting Parties requested the Secretary General to report to the Standing Committee on the status of the Reserve Fund and consult with the Standing Committee regarding the use of any excess resources of the Fund. This was done at the 40<sup>th</sup> meeting of the Standing Committee (SC40) and is updated here.
3. The 2009 movement in the Reserve Fund, as reflected in the draft of the 2009 Financial Statements appended to DOC. SC41-03 is as follows:

	CHF'000
Balance at 31 December 2008 per final accounts	363
Surplus for 2009	75
Transfer requested by Secretary General – see 4 below	(25)
Balance at 31 December 2009 per draft accounts	413

The proposed balance at 31 December 2009 is 1/11 of the 2009 budget. This is slightly higher than 1/12 of the annual budget maximum. In light of the current economic climate the Secretary General recommends retention of this excess until 2010. (This course of action is accepted by our auditors.)

4. Participation in the global debate relating to wetlands, biodiversity and climate change requires the Secretary General and the Deputy Secretary General to engage in a number of meetings and processes that require travel, and in 2010 this effort will include the new Partnership Coordinator (for whom no existing travel budget yet exists). If the Secretariat is to fulfil these responsibilities and progress work under a number of key MOUs, additional 2010 funding will be required. The Secretary General requests the Standing Committee's approval to use CHF 25,000 of the 2009 surplus to be allocated for this purpose.