

CONVENTION ON WETLANDS (Ramsar, Iran, 1971)

Meeting of the Standing Committee Subgroup on Finance
Gland, Switzerland, 15 2002

DOC. Finance SG -3

Agenda item 3

**Draft budget for the triennium 2003-2008 for
recommendation to COP8**

Action requested. The Subgroup on Finance is requested to review again the draft budget for the triennium 2003-2008 and to agree upon a recommendation to COP8 on this matter.

1. At its meeting in December 2001, the Standing Committee adopted Decision SC26-43 as follows: "The Standing Committee accepted the tentative core budget for 2003-2005, as shown in DOC. SC26-26 Addendum, as a basis for further discussion, with the removal of line items with zero allocations. The SC agreed with WWF's suggestion that voluntary support be sought for the proposed Freshwater/STRP Support Officer and agreed to consult with the Subgroup on STRP Support about any possible additional needs."
2. As requested by the Standing Committee, on 15 January 2002 the Secretary General circulated to all Committee members the attached Note on budget issues, which contains at the end the tentative budget considered by the Standing Committee.
3. The Subgroup on Finance should revisit the tentative budget for the triennium 2003-2005 and adopt a recommendation on this matter to Ramsar COP8.

Ramsar core budget for the triennium 2003-2005

Note by the Secretary General [January 2002]

1. At its meeting on 3-7 December 2001, the Ramsar Standing Committee discussed the issue of the budget 2003-2005 that should be submitted to the consideration of the 8th Meeting of the Conference of Parties (Ramsar COP8) to be held in November 2002.
2. The Secretary General had prepared, as the basis for the discussion, two options: a) a budget proposal, based upon the 2002 budget, adjusted for inflation in Switzerland at 2%, plus a 3% increase in the salaries budget line to allow for performance-related salary increases; and b) an “ideal budget” proposal containing a number of increases in the budget that in the opinion of the Secretary General would allow the Convention to operate more effectively.
3. The Standing Committee Subgroup on Finance, after detailed discussions, agreed to propose for further discussion a budget with a 2% increase to cover inflation and a 3% real growth in each year of the triennium 2003-2005.
4. On the basis of this proposal, the Standing Committee “accepted the tentative core budget for 2003-2005” attached to this note “as a basis for further discussion”. At the same time the Secretary General was invited to produce a brief note on the finances of the Ramsar Convention. This is that note.

Ramsar, an efficient instrument

5. As stated in the draft of the second Strategic Plan for the implementation of the Convention during 2003-2008, now approved by the Standing Committee for transmission to Ramsar COP8, significant achievements of the Ramsar Convention during the period of implementation of the Strategic Plan 1997-2002 include:
 - a) 130 States as Contracting Parties to the Convention;
 - b) a major contribution to increasing the recognition and understanding of the crucial role of wetland functions and services in the daily lives of people;
 - c) the production of an increasing range of policy and technical guidelines to assist Contracting Parties with implementing the Convention;
 - d) the adoption by over 50 Contracting Parties of national wetland policies or similar instruments and the establishment by more than 40 Contracting Parties of national Ramsar or wetland committees to ensure that cross-sectoral approaches are taken;

- e) the designation by Contracting Parties of 1112 wetlands covering 89,373,560 hectares for inclusion in the List of Wetlands of International Importance (the Ramsar List), and the establishment of management plans for some 50 % of these sites;
 - f) the lead taken by the Convention in establishing synergies with the conventions that emerged from the Rio 92 process and with other conventions and institutions, so that experiences and achievements may be shared for the benefit of wetland wise use;
 - g) the help through the Convention to generate more financial resources and technical assistance for wetland projects in developing countries and countries in transition, and since 1990 the operation of the Ramsar Small Grants Fund for Wetland Conservation and Wise Use. The Fund, although as yet modest in scale, has funded 127 projects in some 80 countries;
 - h) the management by the Ramsar Bureau (the Convention secretariat) for the past eight years, with funding from the U.S. Government, of the Wetlands for the Future Initiative, providing support to 136 training and education projects in 20 Latin American and the Caribbean countries; and
 - i) the establishment of the Mediterranean Wetlands Initiative (MedWet), under the guidance of the Mediterranean Wetlands Committee, as a firm regional expression of the Convention, involving all countries in the Mediterranean basin and the Palestinian Authority, relevant international institutions, and non-governmental organizations.
6. In addition, the Convention bodies, including the Standing Committee, the Scientific the Technical Review Panel (STRP), and its secretariat, the Ramsar Bureau, have received praise for their efficient *modus operandi* and the high level of their outputs.
7. The Convention's communications and outreach activities have also been commended for creating a new momentum in the awareness about wetland issues, and the Ramsar Web site (www.ramsar.org) is often cited as an example of excellence.
8. Resources have been used strategically to obtain maximum gains and for many years the secretariat has always closed the financial years with a balanced budget.

New approaches and responses

9. Mostly since the accession of a large number of developing countries, starting with Ramsar COP3 in 1987, the Convention has considerably expanded its areas of work. Thus, while it is true that Ramsar is a "single issue" Convention (wetlands), nowadays it has considerably broadened its approach, seeing wetlands not only as a nature conservation issue, but as national assets for sustainable development. The Convention is now fully engaged in issues related to water and coastal zone management, promoting the conservation and wise use of wetlands within the context of river basin and integrated coastal zone management.
10. This much wider approach to wetland issues has been coupled with the considerable increase of Contracting Parties that are developing countries and countries with economies in transition. Of the 130 Parties at present, 100 or so fall in this category and practically all of them expect support from the Convention, of one kind or another, in order to implement the treaty.

11. Ramsar has also been a pioneer in promoting synergies and joint implementation strategies with other Multilateral Environmental Agreements (MEAs). This has also put considerable additional demands in the work of the Ramsar Bureau.

Particular arrangements for the administration of the Convention

12. Ramsar is an intergovernmental treaty operating outside the United Nations system. Article 8 of the Convention says that the secretariat will be provided by IUCN-The World Conservation Union, until two thirds of the Contracting Parties decide otherwise. The status of IUCN in Switzerland is that of a non-governmental organization (NGO). Thus, legally speaking, Ramsar Bureau staff, while serving an intergovernmental treaty, are employees of an NGO.
13. The Ramsar Bureau is independent from IUCN concerning its work plan and budget, which are approved by the Conference of the Parties and supervised by the Standing Committee of the Convention, but Ramsar Bureau staff follow the staff rules and employment practices of IUCN, which are in line with Swiss labour law.
14. This special situation of the Ramsar Bureau provides to the Convention secretariat a considerable degree of flexibility in its operations compared with the secretariats administered by the UN, which are subject to the rules of a much more complex and cumbersome administration, and a more complex political environment.
15. Nevertheless, Ramsar is an MEA of the same nature as CBD, CITES, UNFCCC, CCD and others, and its secretariat, the Ramsar Bureau, must be seen as the secretariat of an MEA, independently of the special nature of its legal situation.

Staffing and financial resources

16. The Ramsar Bureau has evolved from a two-person staff when the treaty came into force in 1975, to the current level of staffing: 12.5 core budget staff positions (two of which are part time), one project-funded position, 4 interns, and one secondment. In addition, a Ramsar unit in Athens, serving the Mediterranean Wetlands Initiative, has 3.4 staff members, all of them presently funded by the Greek Government.
17. Since Ramsar COP6 in 1996, when the Convention had 92 Parties, only one new staff position has been created. Today the Convention has 130 Parties, a growth of 38 new countries, all of which are developing countries or countries with economies in transition. At the time of Ramsar COP6, there were 771 sites included in the List of Wetlands of International Importance – today there are 1112 sites in the List: 341 more sites that require Ramsar Bureau attention in relation to their management and conservation status, as required by the Convention. [Note: There are 1150 Ramsar sites as of April 2002.]
18. Ramsar Bureau salaries in 2002 represent 59% of the Swiss francs 3.5 million budget adopted by the Standing Committee. Salaries have been increased modestly since Ramsar COP6 in 1996 to bring them into line with market value salaries in the Geneva region, on the basis of a survey carried out by IUCN including 10 major institutions, but not the United Nations. Nevertheless, some Ramsar staff salaries are still below the market value.

19. Comparison with the salaries in the UN-administered MEA secretariats is not easy, but taking an example, a professional at mid point of a P4 position in the UN has a gross salary of US\$ 91,571. A similar position in the IUCN scale applicable to Ramsar staff will be paid US\$ 80,364. In addition, UN staff receive a post adjustment of 20% of the salary, and a rental allowance of 28% of the cost of rent. Ramsar staff do not have these benefits.
20. The last two Ramsar COPs in 1996 and 1999 have approved modest budget increases, bringing the following evolution in the core budget paid by Contracting Parties:

000s Swiss francs						
1996	1997	1998	1999	2000	2001	2002
2312	2658	2785	2900	3045	3106	3168

21. The attached budget, accepted by the Standing Committee at its last meeting (December 2001) as the basis for further discussions, would represent the following increases in the next triennium in the core budget paid by Contracting Parties:

2203	2004	2005
3364	3530	3695

Note: In the attached budget, the forecasted expenditure includes the following additional amounts paid out with the donation of the income tax on staff salaries by the Swiss government and interest earned on deposits:

2203	2004	2005
350	370	400

22. It should be noted that the Ramsar Convention budget continues to be very modest compared with the budgets of most other MEAs: in 2001, for example, the core Ramsar budget was 1.8 million US dollars, while CBD's was 8.6 million.
23. In the attached budget, the suggested additional income in the triennium 2003-2005 has been tentatively allocated to four budget lines (shown in bold letters and figures):
- costs of maintaining the Ramsar Data Base of Wetlands of International Importance;
 - a new budget line for support to regional initiatives, such as the Mediterranean Wetlands Initiative and others under discussion;
 - support to the Working Groups of the Convention's Scientific and Technical Review Panel; and
 - a new budget line to cover part of the costs incurred by the secretariat in the preparation of the meetings of the Conference of the Parties (so far not included in the core budget and covered by the host country of each COP).
24. The Secretary General considers that the decision of the Standing Committee to accept for further discussion a triennial budget that includes a 2% increase for inflation and a 3% real growth in each of the three years represents a very helpful development. A recommendation to COP8 in this direction will continue the positive trend of modest

increases in the core budget at each COP in order to respond, at least partially, to the increasing importance of the Convention and its work.

TENTATIVE CORE BUDGET 2003-2005						
(costs in Swiss francs)						
EXPENDITURES	2002		2003	2004	2005	
	Approved expenditure	Forecast expenditure	5% Increase	5% Increase	5% Increase	
1 STAFF COSTS						
a) Salaries and social charges	2,064,000	2,078,670	2,120,243	2,183,850	2,249,365	
b) Other employment benefits		190,722	194,536	198,427	202,395	
c) Staff hiring and departure costs		10,000	25,000	15,000	15,000	
2 SCIENTIFIC & TECHNICAL SERVICES						
a) Ramsar Database	140,000	140,000	160,000	180,000	200,000	
b) Ramsar Advisory Missions (RAMs)	0	0				
Consultants						
3. SUPPORT TO REGIONAL INITIATIVES		0	70,000	140,000	180,000	
4 TRAVEL ON OFFICIAL BUSINESS (International)	104,000	110,000	112,000	120,000	130,000	
5 PURCHASE & MAINTENANCE OF EQUIPMENT/ OFFICE SUPPLIES (including depreciation)	21,000	25,000	25,000	28,000	30,000	
6 ADMINISTRATIVE SERVICES & OPERATING COSTS						
a) IUCN Services	444,000	444,000	452,000	460,000	468,000	
b) Operating Costs	129,000	110,000	112,000	112,000	115,000	
7 COMMUNICATIONS AND REPORTING						
a) Publications	151,000	160,000	160,000	170,000	170,000	
b) Newsletter	21,000	25,000	25,000	27,000	0	
8 STANDING COMMITTEE & OTHER COMMITTEES						
a) SC delegate support	42,000	42,000	42,000	45,000	45,000	
b) STRP members' support	42,000	42,000	42,000	45,000	45,000	
c) Support to STRP Working Groups			40,000	30,000	10,000	
d) Regional representatives' support	10,000		10,000	10,000	10,000	
9 CONFERENCE OF THE PARTIES						
a) Cost of the conference	0	0	104,156	115,355	204,853	
10 MISCELLANEOUS						
a) Bad debt provision		20,000	20,000	20,000	20,000	
b) Exchange loss		10,000				
COP7 APPROVED BUDGET	3,168,000					

TOTAL FORECAST EXPENDITURE	3,407,392	3,713,935	3,899,632	4,094,613
FORECAST INCOME *	3,537,081	3,713,935	3,899,632	4,094,613

* Including Interest & Swiss income tax rebate

5% Increase based on the 2002 forecast income and composed of:				
2% Inflation		70,742	74,279	77,993
3% Growth		106,112	111,418	116,989
		176,854	185,697	194,982