

## Report of the Subgroup on Finance, 3 June 2024

*This Report includes the recommendations for the consideration of the Standing Committee made during the meeting of the Subgroup on Finance on 3 June 2024.*

The Chair opened the meeting and asked the Subgroup to refer to the actions requested in documents SC63 Doc.9.1 and SC63 Doc.9.2 on financial and budgetary matters, noting that the discussions related to the report on financial matters for 2023 and 2024 would be considered after those on the annual contributions.

### 1. Status of annual contributions

The Secretariat briefly summarized document SC63 Doc.9.2, presenting the status of annual contributions as of 31 December 2023, and noting the increases in the annual contributions receivable and in the resulting annual provision.

The Secretariat listed actions taken on group confirmation of outstanding contributions as part of the audit process; actions to continue encouraging the payment of annual contributions; and the status of the African voluntary contributions.

Members of the Subgroup considered the merit of possible further measures to encourage the payment of outstanding contributions, including those which has been outstanding for four years or more, while noting the need for the Convention and its processes to remain as inclusive as possible.

The Secretary General reported that outstanding contributions are now included in discussions during her bilateral meetings with the diplomatic representatives of Contracting Parties, as appropriate.

The Subgroup approved the recommendations for decisions by the Standing Committee.

*Recommendation for decision by the Standing Committee:*

***The Subgroup on Finance recommends that the Standing Committee:***

- i. take note of the status of annual contributions;***
- ii. note the actions listed in paragraphs 12 and 13 of document SC63 Doc.9.2 on group confirmation of outstanding contributions as part of the audit process;***
- iii. note the actions listed in paragraphs 15, 17, 18 and 19 of document SC63 Doc.9.2 to continue encouraging the payment of annual contributions by the Contracting Parties;***
- iv. note the changes in annual contributions receivable and in the annual provision against contributions receivable; and***
- v. note the status of the voluntary contributions received from the Contracting Parties in the Africa region outlined in paragraph 22 of document SC63 Doc.9.2.***

## 2. Report on Financial Matters for 2023 and 2024

The Secretariat presented the document SC63 Doc.9.1, highlighting:

- the audited financial statements for 2023;
- the core budget results for 2023;
- the status of non-core funding and voluntary contributions for 2023;
- the proposal to carry forward pre-committed funds totalling CHF 1,232,000 from 2023 to 2024;
- the proposal to allocate funds to the eligible RRI;
- the surplus balances; and
- the information regarding the financial reports for 2024 and 2025 in preparation for SC64 and SC65, and regarding the invoices for 2025.

The Secretariat further noted that:

- the reports on financial and budgetary matters to SC64 would cover the period to 30 September 2024;
- the audited statements for 2024, along with year-end 2024 results, would be published by May 2025 and submitted to SC65 for approval; and
- the new UN scale of contributions for 2025-2027 would be published by the end of 2024 and the Secretariat would send invoices for 2025 as soon as possible after that.

The Subgroup considered the use of unspent funds under activities such as RRIs and the Effectiveness Working Group. The Secretariat noted that unallocated or unspent funds are carried forward within the approved budget lines within the triennium, in line with Standing Committee Decision SC57-50.

Regarding the process for allocation of surplus funds, the Secretariat explained that any proposals for use of surplus funds would be put before the Subgroup on Finance for consideration and eventual recommendation to the Standing Committee for a decision. Allocation of outstanding surplus would normally be decided at the end of the triennium by the Standing Committee following the COP. To date, no proposals had been received on the allocation of the surplus funds reported as of the end of 2023. The Secretariat added that the current situation is exceptional and reflects budget savings which accumulated up to 2022 during the pandemic, under activities such as travel and meetings.

Members of the Subgroup agreed to request an October deadline for proposals for allocation of surplus funds and further hold a virtual intersessional meeting around early December 2024, once draft resolutions for COP15 had been published and in advance of the regional pre-COP meetings foreseen for the beginning of 2025, to consider:

- proposals for allocation of surplus funds; and
- the Secretariat's proposed budget plan for the next triennium, which should take into account the inflationary pressures on core budget activities and the increase in Secretariat activities.

The Subgroup made preliminary suggestions for activities suitable for allocation of surplus funds, including for example capacity-building activities on the preparation of wetlands inventories, and projects to enhance the Convention's application of new technologies. The Chair stated that proposals would be due by October in advance of the intersessional meeting.

The Secretariat shared with the Subgroup that, despite the increase in Secretariat activities to support the Contracting Parties, the budget has remained unchanged during the past 15 years. The Secretariat will therefore present an increased budget for consideration by the Subgroup on Finance during the intersessional meeting.

*Recommendation for decision by the Standing Committee:*

***The Subgroup of Finance recommends that the Standing Committee:***

- i. accept the 2023 audited financial statements as of 31 December 2023;***
- ii. note the core budget results for 2023;***
- iii. note the status of the non-core balances and voluntary contributions for 2023;***
- iv. approve the carry forward of the pre-committed and unspent funds totalling CHF 1,232,000 from 2023 to 2024, as included in column C of the table in Annex 1 Core Budget 2024 of the present report;***
- v. approve the allocation of CHF 29,000 from the core budget to the Danube WILDisland Ramsar Regional Initiative for activities in 2024, as described in paragraph 23 of document SC63 Doc. 9.1<sup>1</sup>;***
- vi. note the surplus balances at the end of 2023; and***
- viii. note the information regarding the financial reports for 2024 and 2025 and regarding the invoices for 2025, as described in paragraphs 26 and 27 of document SC63 Doc. 9.1.***

The Secretariat noted that the draft report of the present meeting would be shared with members for timely feedback, to enable publishing in advance of the Subgroup's report to plenary on 6 June.

The Chair, noting that members would be informed should further meetings be required during the week, thanked the participants and closed the meeting.

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<sup>1</sup> The amended core budget which would result from the approval of this allocation is shown at Annex 1 below.

## Annex 1

### Updated core budget 2024

(CHF '000s, includes possible rounding differences)

2024 Ramsar Budget COP14 Approved  CHF '000s	Approved budget (COP14- approved)  (A)	COP14 authorised use of 2021 budget savings (B)	2023 carry- forward to 2024  (C)	Total 2024 budget  (D)= (A)+(B)+(C)
<b>INCOME</b>				
Parties' Contributions	3,779	0	0	3,779
Voluntary contributions	1,065	0	0	1,065
Income Tax	225	0	0	225
Other Income (including Interest Income)	12	0	0	12
<b>TOTAL INCOME</b>	<b>5,081</b>	<b>0</b>	<b>0</b>	<b>5,081</b>
<b>EXPENDITURE</b>				
A. Secretariat Senior Management	<b>1,062</b>	<b>5</b>	<b>0</b>	<b>1,067</b>
Salaries, social costs and other benefits	1,022	0	0	1,022
Travel	40	5	0	45
B. Resource Mobilization and Outreach	<b>508</b>	<b>45</b>	<b>263</b>	<b>816</b>
Salaries, social costs and other benefits	352	0	6	358
CEPA Programme	30	0	109	139
Comms, Translations, Publications and Reporting Implementation	60	40	110	210
Web/IT support and Development	56	0	38	94
Travel	10	5	0	15
C. Regional Advice and Support	<b>1,316</b>	<b>10</b>	<b>292</b>	<b>1,618</b>
Salaries, social costs and other benefits	1,249	0	177	1,426
Travel	67	10	19	96
Ramsar Advisory Missions	0	0	96	96
D. Support to Regional Initiatives	<b>100</b>	<b>0</b>	<b>120</b>	<b>220</b>
Regional networks and centres - available budget not allocated in 2024	<b>71</b>	<b>0</b>	<b>84</b>	<b>155</b>
Danube WILDisland Ramsar Regional Initiative 2024	<b>29</b>	<b>0</b>	<b>0</b>	<b>29</b>
Southern African RRI 2023 activities carry over	0	0	12	12
Amazon Basin 2023 carry over	0	0	24	24
E. Scientific and Technical Services	<b>817</b>	<b>5</b>	<b>373</b>	<b>1,195</b>
Salaries, social costs and other benefits	649	0	37	686
Travel	18	0	21	39
Travel STRP Chair	5	0	3	8
STRP implementation	35	5	61	101
STRP meetings	50	0	6	56
Strategic Plan SP5 (2022 - 2024)	0	0	50	50
SDG 6.61 (Inventories)	0	0	42	42
Ramsar Sites Information Service (maintenance and development)	60	0	63	123
Ramsar Sites Information Service (technical support	0	0	90	90

2024 Ramsar Budget COP14 Approved  CHF '000s	Approved budget (COP14- approved)  (A)	COP14 authorised use of 2021 budget savings (B)	2023 carry- forward to 2024  (C)	Total 2024 budget  (D)= (A)+(B)+(C)
for the triennium 2023-2025)				
<b>F. Administration/Web</b>	<b>478</b>	<b>11</b>	<b>137</b>	<b>626</b>
Salaries, social costs and other benefits	331	0	8	339
Staff hiring and departure costs	52	0	36	88
Travel	0	0	0	0
Equipment/Office Supplies	95	0	28	123
Planning and Capacity building	0	11	65	76
<b>G. Standing Committee Services</b>	<b>150</b>	<b>0</b>	<b>41</b>	<b>191</b>
Standing Committee delegates' support	45	0	0	45
Standing Committee meetings	10	0	0	10
SC translation	60	0	0	60
Simultaneous interpretation at SC meetings	35	0	0	35
Effectiveness Working Group	0	0	4	4
Enhance efficiency and collaboration (Res. XIV.3)	0	0	7	7
Resolutions review (Res. XIII.4)	0	0	30	30
<b>H. IUCN Administrative Service Charges (max.)</b>	<b>541</b>	<b>0</b>	<b>1</b>	<b>542</b>
Administration, Human Resources, Finance & IT services	541	0	1	542
<b>I. Miscellaneous - Reserve Fund</b>	<b>109</b>	<b>120</b>	<b>5</b>	<b>234</b>
Staff Provisions	20	0	0	20
Provision for outstanding contributions	30	120	0	150
Exchange rate gains / losses	0	0	0	0
Legal Services	59	0	5	64
<b>TOTAL EXPENDITURE</b>	<b>5,081</b>	<b>196</b>	<b>1,232</b>	<b>6,509</b>