

Report on financial matters for 2019 and 2020

Actions requested:

The Standing Committee is invited to:

- i. review and accept the 2019 audited financial statements as of 31 December 2019;
- ii. note the core budget results for 2019;
- iii. note the non-core balances and voluntary contributions for 2019;
- iv. note the reallocation of the 2019 budget as described in paragraph 14;
- v. note the Secretariat's adjustments to the COP13-approved core budget for 2020, which includes the balance of approved used of surplus funds from the previous triennium and carry forward from 2019 to 2020;
- vi. approve the allocation of the core budget line D "Support to Regional Initiatives", as described in paragraph 34;
- vii. approve the allocation of savings in the core budget for the review of Resolutions, as described in paragraph 35;
- viii. note the progress in implementing the recommendations of the IUCN *Financial Management Review of Non-core (Restricted) Fund Accounts*, and approve the proposal on the use of management fees, as described in paragraph 43; and
- ix. consider the external auditor's proposal on group confirmation of outstanding Contracting Party balances in response to Decision SC57-40, and approve the proposed way forward in paragraph 50 and 51.

Background

1. This report addresses financial matters concerning the Convention on Wetlands' core and non-core budgets for 2019 and 2020, and results for 2019.
2. Further improvements in the financial management of the Secretariat have been validated by the external auditors, with all issues that were open prior to the Secretary General taking office in 2016 being now closed. Positive results from the *Financial Management Review of Non-core (Restricted) Fund Accounts* conducted by the IUCN Oversight Unit and submitted to the Standing Committee at its 55th meeting (SC55) are also being followed up (see paragraph 40).

The internal responsibilities and allocation of controls between IUCN and the Secretariat have been updated. The Secretariat has strengthened its capacity with the recruitment of a Finance Officer and a full-time Accounting and Finance Assistant in 2019. Processes have been further improved and guidance developed, in compliance with IUCN policies and procedures where applicable.

2019 results: core budget

3. The 2019 audited financial statements are included at Annex 1. The summary of the 2019 core budget results is attached in Annex 2. It shows in column A the budget for 2019 of CHF 5,081K approved through Resolution XIII.2 on *Financial and budgetary matters*.
4. Column B of Annex 2 shows the authorized use of surplus CHF 76K during the year, in accordance with paragraph 15 of Resolution XIII.2, while column C shows 2018 committed balances and authorized use of surpluses for a total of CHF 851K. This total includes the use of funds approved in previous years for the following items: the Effectiveness Working Group (Resolution XIII.2, paragraph 16); commitments from the 2018 budget (carry over to 2019); and correction for Ramsar Regional Initiatives (RRIs) and SC57-authorized use of surplus (see Annex 9.2 of the Report of SC57, approved through Decision 57-47).
5. The total available budget for 2019 was thus CHF 6,008K. Annex 2 also shows the final income and expenditure in 2019 confirmed by the financial statements (Annex 1) and the balance as of 31 December 2019 for each budget line and category.
6. The Standing Committee is invited to review and accept the 2019 audited financial statements (Annex 1). The full 2019 audited financial statements including the notes and audit opinion have been published on the Convention website¹.
7. At the end of 2019, there was a core budget balance of CHF 1,488K. This included CHF 588K of 2019 pre-committed funds to be spent in 2020, reduction for the net shortfall of income and rounding differences of CHF 19K, and CHF 919K of uncommitted/unspent funds. Table 1 below provides a summary of the 2019 core budget pre-committed and uncommitted funds carried forward.
8. The Standing Committee in Decision SC57-50 decided that uncommitted/unspent balances for budget lines can be carried forward to the next year within the triennium and presented to the following meeting of the Subgroup on Finance. Hence, the total of uncommitted/unspent balances are carried forward to 2020.

¹ See https://www.ramsar.org/sites/default/files/documents/library/report_auditor_ramsar_2019_e.pdf.

Table 1: Summary of 2019 core budget pre-committed and uncommitted funds carried forward (in '000 CHF, includes possible rounding differences)

Category / Department	Pre-committed 2019 to be spent in 2020 (A)	Uncommitted 2019 carry forward to 2020 (B)	Carry forward 2019 to 2020 (C=A+B)	Comments for pre-commitments and savings
Senior Management	0	126	126	Savings: (i) vacancy of Deputy position for the beginning of 2019 and (ii) lower other employment benefits and (iii) travel
Resource Mobilization and Outreach	81	269	349	Pre-committed: (i) 31K IT services to be spent in 2020; (ii) 7K IT services to be spent in 2021 and (iii) 43K WWD and 50th anniversary 2021, Savings: (i) vacancy of Director Resource Mobilization and Outreach as the position regraded and recruited in 2020; (ii) CEPA Programme and (iii) Communications, translations, publications and reporting implementation - as expenditure will increase closer to COP14; and (iv) travel
Regional Advice and Support	96	152	248	Pre-committed: (i) implementation of Ramsar Advisory Missions postponed to 2020 Savings: (i) vacancy of Senior Regional Advisor position to be filled in 2020; and (ii) travel
Support to Ramsar Regional Initiatives	107	0	107	Pre-committed: implementation continues in 2020 for (i) Working Group on RRIs, Res. XIII.9 paragraph 9 and capacity building; and (ii) Amazon Basin RRI
Scientific and Technical Services	121	145	266	Pre-committed: implementation continues in 2020 for (i) 29K Strategic Plan (2019 - 2021) and (ii) 91K inventories, Savings: (i) STRP implementation and meetings and (ii) RSIS
Administration / RSIS / Web	83	152	235	Pre-committed: capacity building plan to be implemented in three years of the triennium, Savings: (i) finance vacancies, (ii) staff recruitment and (iii) office supplies and equipment
Standing Committee Services	75	15	90	Pre-committed: (i) 55K Effectiveness Working Group and (ii) 20K Resolutions review (Res. XIII.4) Savings: Standing Committee services
IUCN Administrative Service Charges	0	36	36	Savings: IUCN administrative charge
Provisions, exchange rate differences and legal services	25	26	51	Pre-committed: (i) 15K legal status and (ii) 10K legal advice consultancies Savings: net of (i) 49K legal services, (ii) 6K provisions budgeted and (iii) -29K of exchange rate losses for all departments

Category / Department	Pre-committed 2019 to be spent in 2020 (A)	Uncommitted 2019 carry forward to 2020 (B)	Carry forward 2019 to 2020 (C=A+B)	Comments for pre-commitments and savings
Sub-total	588	919	1,507	
Shortfall in income compared to budget	-20		-20	23K less income tax and 3K increase of other expenditure (such as interest expenses).
Rounding	1		1	Rounding
Total core budget balance 2019	569	919	1,488	

9. The following points are highlighted for the Standing Committee's consideration:
- a. Projected income was generally as budgeted except for income tax, which was CHF 23K under budget due to vacancies, while the other income, including interest income, was CHF 3K higher than budgeted.
 - b. Overall salary costs of CHF 2,983K corresponded to a budget implementation rate of 84% and salary costs amounted to 66% of overall expenditure.
 - c. No IUCN-imposed cost-of-living increases had come into effect since 2011. Performance-based salary increases implemented by IUCN in 2017 were applied to the Secretariat in 2019 in line with IUCN policies and practices. In 2019 the Secretariat also implemented IUCN's promotion policy in line with the IUCN Global HR promotion guidelines 2019. The resulting increases in salaries had been included in the approved budget for the triennium (Resolution XIII.2, paragraph 14 and Annex 1).
 - d. Provisions were correctly budgeted and used, including through implementation of Standing Committee Decision SC57-47 to increase the provision for outstanding contributions by CHF 178K. This substantial increase resulted from the auditors' request to change the methodology for calculating the provision for outstanding contributions.
 - e. The budgeted provisions for the outstanding contributions totalled CHF 228K (CHF 50K core budget, plus CHF 57K committed from the 2018 budget and CHF 121K use of surplus authorized at SC57). However, the actual increase in the provision for the outstanding contributions was CHF 233K. The difference was balanced by the net change of staff provisions of CHF 10.8K, as a result of an increase in the staff termination provision of CHF 6.8K, a decrease in the staff repatriation provision of CHF 14.2K and a decrease in the staff leave provision of CHF 3.4K.
 - f. The Secretariat considers that in future it would be clearer to have two separate budget lines for the provisions, one for staff provisions and another one for the provisions for outstanding contributions. This would allow better management and transparency in the use of the provisions.
10. As mentioned in paragraph 8, pre-committed funds and uncommitted/unspent balances will be carried forward to 2020.

11. Funds which had, prior to 2017, been transferred to non-core projects remain under the non-core funding category and are being used up for the specified purpose approved by Decision SC54-26. An overview of these can be found under the non-core funds report at Annex 3. The practice of such transfers was discontinued in 2017.
12. In 2019 some corrections needed to be made for expenditure that had been booked in the non-core projects. The allocation of these resources had been approved by the Standing Committee, as listed in Table 2 below.

Table 2: Corrections between core and non-core in 2019 (in '000 CHF, includes possible rounding differences)

Item	Description	Amount
1.	Complement sponsored delegates to COP13 (SC57 Doc.7.1, paragraph 12)*	75
2.	Correction Amazon Basin RRI (SC57 Doc.7.1, paragraph 16)**	7
3.	Replenish African voluntary contributions (SC57 Doc.7.3, paragraph 18)	33
	Total corrections between core and non-core in 2019	115

**total of 75K is used instead of CHF 94K approved*

*** included in the 2019 expenditure*

13. The final amount used to complement voluntary funding for COP13 sponsored delegate support was CHF 75K instead of CHF 94K approved. The reduction is due to reimbursement of unused funds allocated to delegates' credit cards for daily expenses.

Adjustments to the 2019 core budget

14. The following adjustments were made to the core budget in 2019:
 - a. In 2019 the Secretariat reallocated CHF 12K of the travel budget from Regional Advice and Support to Scientific and Technical Services, to respond to travel needs in accordance with the approved workplan. This change was made in line with paragraph 28 of Resolution XIII.2 , which "authorises the Secretary General to transfer resources between travel budget lines, ensuring that the Subgroup on Finance is informed and that such transfers are reported to the Standing Committee at its next meeting".
 - b. Decision SC57-48 approved the allocation of CHF 100K from the core budget to Ramsar Regional Initiatives and instructed the Secretariat to contact the Ramsar Regional Initiative for the Senegal River Basin (SenegalWet) regarding the unspent balance from the previous years and inquire if an additional allocation of CHF 25K was needed. SenegalWet reported that the funds were not needed. The Secretariat then followed the instructions from Decision SC57-48 to distribute the CHF 100K available to the Amazon River Basin Regional Initiative, Central Asia Regional Initiative and the Indo-Burma Regional Initiative equally. This adjustment is reflected in the 2019 budget.

2019 carry forward

15. The statement of income and expenditure for 2019 in the audited financial statements (see Annex 1, table II) shows that the core fund balance at the end of the year was CHF 2,648K. This includes the 2018 core fund balance (at the beginning of 2019) of CHF 2,196K and the net income over expenditure for 2019 of CHF 452K as per the audited financial statements and 2019 core results for the period 1 January to 31 December 2019 (Annex 2).

16. The 2019 core fund balance above includes the reserve fund of CHF 762K. This corresponds to 15% of the annual core budget, the maximum level approved by COP13 in paragraph 33 of Resolution XIII.2. Therefore there is no need to reallocate resources for this purpose.
17. The core fund balance also includes the approved use for the 2019-2021 triennium of the 2018 surplus of CHF 228K (Resolution XIII.2, paragraph 15), to cover the gap created in the core budget of the Secretariat to cover the cost of a new position of Finance and Accounting Assistant (cuts were made to communications, travel, STRP and planning and capacity-building budget lines that were filled with this surplus). The funds to be used in 2020 and 2021 total CHF 152K.
18. Furthermore, in line with Standing Committee Decision SC57-47, an additional CHF 228K has been added to an operational reserve to fill this gap in the next triennium. This gap would otherwise remain unless Contracting Parties were to increase the total budget and thus their contributions.
19. Additionally, unspent and pre-committed balances of CHF 588K, including the authorized use of 2018 surplus (Decision SC57-47), as detailed in Table 1 and paragraph 7, will be spent in 2020 and thus have been included in the 2020 budget.
20. Finally, there are unspent and uncommitted balances amounting to CHF 919K as detailed in Table 1 above. In line with Standing Committee Decision SC57-50, "In accordance with the responsibilities defined in Resolution 5.2 on *Financial and budgetary matters*, Annex, 3, paragraph 8, the Standing Committee agreed that uncommitted/unexpended balances for budget lines can be carried forward to the next year within the triennium and presented to the following meeting of the Subgroup on Finance". Thus, the Secretariat is presenting uncommitted/unspent 2019 balances as being carried forward to 2020.

2019 results: non-core budget and voluntary contributions

21. As per Annex 1, section II, project income of CHF 379K and African voluntary contributions² of CHF 2K were received in 2019, resulting in a total income of non-core voluntary contributions of CHF 381K. The details of non-core funding as of 31 December 2019 can be found in Annex 3.
22. The voluntary contributions received in 2019 are outlined in Table 3 below. As instructed by the Standing Committee through Decision SC53-32, the table provides an overview of the contributions received and their designated use. Reference is made to the priorities for fundraising of the Contracting Parties provided in Annex 3 of Resolution XIII.2.

² See paragraph 23 of Resolution X.2 on *Financial and budgetary matters*, <https://www.ramsar.org/document/resolution-x2-financial-and-budgetary-matters>.

Table 3: Project income from voluntary non-core contributions received in 2019 (in '000 CHF, includes possible rounding differences)

Donor name	Income amount	Description
Japan	90	Nagao Wetland Fund
Danone	125	Contribution for 2019 Danone project activities
Finland	12	Gender work
Norway	43	Gender work
Norway	43	Climate change related STRP work
Norway	65	Tropical peatlands related STRP work
Total project income	379	

23. A total of CHF 125K (EUR 115K) was received in 2019 from Danone. The Secretariat is approaching possible donors to seek alternative resources for World Wetlands Day should Danone no longer fund this initiative in the future. Efforts will continue to secure future funding for this important area of work and for the Ramsar Awards.
24. Contracting Parties and other potential donors have been approached regarding funding of other budgeted non-core priority items identified in Annex 3 of Resolution XIII.2. A main priority in this regard for Parties to be aware of in 2020 is funding for COP14, especially for sponsored delegates. The Secretariat would welcome guidance from Parties on potential donors to ensure participation of all Contracting Parties at COP14.
25. The Secretariat would like to express its sincere appreciation to Contracting Parties and donors for their voluntary contributions to non-core activities of the Convention.

African voluntary contributions

26. In 2019, a net voluntary contribution of CHF 2K was received from Contracting Parties in the Africa region.
27. As mentioned in paragraph 24 of document SC58 Doc.8.3, in accordance with paragraph 24 of Resolution XIII.2, the Secretariat has received requests from the Ramsar Regional Initiatives in Africa and submitted them to the African Regional Representatives to the Standing Committee for their decision on the allocation of the funds available as at 31 December 2019 of CHF 91K. These Representatives will inform the Secretariat of their decision.

Review of non-core balances (Annex 3)

28. The Secretary General has continued the process started in 2016 to put in place a more structured and transparent approach to the use of non-core funding and balances. The internal review of old non-core projects has continued during 2019 and a further 25 projects have been closed in the financial system, resulting from adjustments made and balances spent, reimbursed or moved to active projects following donor approvals. Improvements are continuously also being made in the processes and procedures as well as in the system, in close cooperation with IUCN.
29. As a result of a further review of project available balances, the Secretariat identified balances on two projects resulting from the old practice of allocating core funds to non-core projects back in 2013. The balances remain on the projects for activities that no longer exist within the

Secretariat: a) Science review project, of CHF 33K and b) Strategic Plan 2016, of CHF 18K. The Secretariat is reviewing possible uses for these resources and will present any suggestions to the Standing Committee for its consideration in due course.

30. The unspent balance of the funds provided by the United Arab Emirates for the organization of COP13 in Dubai in 2018 amounted to CHF 206K, and was reimbursed to the host country in July 2019.
31. As instructed in Decision SC57-51, the Secretariat has taken action to phase out the Small Grants Fund programme by allocating a first tranche of funding to the four projects approved in this decision. The Secretariat is due to receive mid-project implementation reports nine months after receipt of the funding by the project recipients. Additionally, the balances are being managed within one project (see item R100163- SGF-2009-2020 in Annex 3). Table 4 below shows the disbursements of the first tranche representing 60% of the total budget of the Small Grants Funds. The second and final tranche representing the remaining 40% will be disbursed upon receipt and satisfactory review of the final project reports, in 2021.

Table 4: Small Grants Fund programme disbursements in 2019 (in '000 CHF, includes possible rounding differences)

Item	Description	Amount
(I)	Opening balance 1 January 2019	138
(II)	Tranche 1 payments disbursed in 2019 (recipients and dates):	82
	a) Sokoine University of Agriculture, Tanzania on 2 September 2019	
	b) BirdLife International Cambodia Programme, Cambodia on 12 September 2019	
	c) FONNOR A.C., Mexico on 4 October 2019	
	d) Guyra, Paraguay on 7 November 2019	
(III=I-II)	SGF committed balances to be disbursed in 2021	56

Core budget 2020 (Annex 4)

32. An overview of the 2020 budget is provided in Annex 4. It includes the COP13-approved budget of CHF 5,081K; the authorized use of the 2018 surplus (Resolution XIII.2, paragraph 15) of CHF 76K; the pre-committed 2019 budget funds to be spent in 2020 of CHF 588K; and uncommitted balances of CHF 919K to be carried forward. Paragraph 20 above explains in more detail the funds carried forward from 2019 to 2020. The total proposed core budget for 2020 is thus CHF 6,664K.
33. The Secretariat foresees some adjustments to the 2020 budget and use of 2019 carry forward.
34. As mentioned in paragraph 16 of document SC58 Doc 22.2 *Report of the Secretariat on the Ramsar Regional Initiatives*, the Secretariat invites the Standing Committee at SC58 to consider and approve the allocation of funds to RRI's proposed in the 2020 Ramsar core budget. The Secretariat proposes in that document an allocation of CHF 25,000 to each of the four eligible RRI's for their activities in 2020.
35. As mentioned in paragraph 37 of document SC58 Doc.13 *Review of all previous Resolutions and decisions*, the Secretariat has identified the need for resources amounting to CHF 30K to take the next steps for this task. The Secretariat proposes that these resources be allocated from the 2019 carry forward in legal services, and requests the approval of SC58 for this action.

36. The Secretariat foresees that adjustments to the budget will be required with regard to the provision for outstanding contributions, for which an increase might be necessary for 2020. The Secretariat will prepare the estimates for this provision, as well as any additional options to re-allocate funds from the 2020 budget and share the analysis closer to the date of the Standing Committee for consideration by the Subgroup on Finance. The calculation for the estimated increase for 2020 in the provisions for outstanding dues will be based on outstanding balances not paid for more than four years, for which the full provision of 100% will need to be applied. A similar approach will be needed for 2021.
37. Furthermore, taking into account the uncertainties in the implementation of the budget that we are facing in 2020 due to the COVID-19 pandemic outbreak, the Secretariat anticipates that other adjustments may result, for example from the cancellation or postponement of meetings of governing and subsidiary bodies, or decrease in travel. The Secretariat will provide an analysis and proposal closer to the meeting.

Other matters for consideration

Management review of non-core funds

38. As a follow-up to the internal review conducted by the Secretary General, Decision SC53-33 requested the Secretariat to take steps to conduct an external review of non-core projects. The Secretary General asked the IUCN Oversight Unit to undertake this management and financial review. The external auditors received this initiative favourably. The preliminary results of the review were presented at SC54 and the final results of the review were presented to SC55 as document SC55 Doc.8.2 on *Financial Management Review of Non-core (Restricted) Fund Accounts*³.
39. In the course of 2019, the Secretariat engaged in further implementation of the recommendations of the IUCN review. The updated status of the management response and the actions of the Secretariat is that eight of the ten recommendations have been closed and reported to the IUCN Oversight Unit as fully implemented and closed.
40. Progress has been made and will continue in 2020 in the implementation of Recommendation 5 of the Review on the internal control self-assessment process. The Secretariat has been in contact with IUCN regarding the self-assessment methodology. IUCN is currently developing and piloting online tools. The Secretariat is following this process and will report once the development of these tools is finalized, and will confirm whether similar internal controls would be useful in the context of the Convention.
41. Recommendation 8 of the Review on processes for charging management fees on non-core projects has been partially implemented. The yearly process to charge management fees on non-core projects is in place and has been strengthened in 2019.
42. The management fees, as reported earlier on, are booked in a designated non-core budget line ("Admin") to ensure transparency. The balance by end of 2019 of this budget line was CHF 368K. As per Decision SC54-26 approving the report of the Subgroup on Finance and more specifically, item 2 of Annex 5 of the SC54 report, the Secretariat should apply IUCN policies and guidelines for the use of management fees.

³ See <https://www.ramsar.org/document/sc55-doc82-iucn-review-of-non-core-finances>

43. The Secretariat has reviewed IUCN's approach for the use of management fees and notes that IUCN applies cost recovery for corporate and operational functions. In the Secretariat, operational functions are covered with core funds, thus the Secretariat proposes that, similar to IUCN's Project Budgeting Guidelines of 2014, "management fees be used for programme support and communications". Corporate functions that could be covered within this guidance include programme support, communications, management, finance, IT, HR and office services. The IUCN Project Costing Framework of 2020 further indicates that indirect costs can cover programme support, communications, administration, fundraising, management and leadership, legal advice and oversight. The Secretariat accordingly proposes that management fees be used for programme support and communications, and more specifically programme support, fundraising, communications, evaluation, legal advice, and finance and administration, as needed.
44. The Secretariat invites the Standing Committee at SC58 to consider and approve this proposal.

Provision for outstanding Contracting Party contributions and actions to encourage payment of outstanding contributions.

45. Following the external auditor's request and Standing Committee Decision SC57-39, the new methodology has been applied in the calculation for the provision against dues receivable from Contracting Parties in 2019.
46. The Secretariat has made efforts in implementing Decisions SC57-44 and SC57-45 to encourage timely payment of annual contributions. In November 2019 a reminder was sent to those Contracting Parties with unpaid balances of annual contributions, with a copy of their 2019 invoice and an updated status of the assessed contributions (Diplomatic Note 2019/8). An email message was also sent to all Contracting Parties for information only through the Ramsar Exchange mailing list, including those Parties that had already paid all their arrears.
47. More details are provided in document SC58 Doc.8.3 *Status of annual contributions*, paragraphs 15, 17 and 18.

External auditor's requested modification of their audit approach for audit confirmations of outstanding Contracting Party balances and approval of a group approach

48. The external auditor's request to send confirmation letters to a selection of Contracting Parties with outstanding contribution balances, as a part of the standard audit procedures, was presented to the Standing Committee during SC57. Following the discussion, Decision SC57-40 was adopted with the Standing Committee instructing the Secretariat to explore the practicality of a group approach or other creative solutions for confirmation of outstanding Contracting Party balances for the 2019 audit.
49. The Secretariat discussed the matter with the external auditor, and the following recommendation is proposed for the consideration and decision of SC58.
50. As per the external auditor's suggestion, the Standing Committee would acknowledge the status of the annual contributions intersessionally. The request for the intersessional acknowledgement would be provided by the Secretariat to the Standing Committee, on behalf of the external auditor, in the period following the closing of accounts and prior to the signing of the financial statements by the auditors.

51. The Secretariat invites the Standing Committee to approve the above recommendation for intersessional acknowledgement of the status of annual contributions.

Other matters

52. Through Decision SC57-41 the Standing Committee requested that the Secretariat include a note regarding the existence or lack thereof of other potential large provision items, such as future pension obligations. The Secretariat has checked and would like to confirm that there is no outstanding liability for future pension obligations, the liability being with a Swiss pension fund. In consequence, no such note has been included in the financial statements.
53. Through Decision SC57-42 the Standing Committee requested that the Secretariat provide input to IUCN and invite Parties to work with their counterparts responsible for IUCN to provide feedback on any IUCN consideration of options for future auditing contracts. In 2019 the IUCN Council decided to make a recommendation to the IUCN Congress to appoint PwC for 2021 and 2022 and put the audit out to tender for 2023 onwards.

Annex 1

Audited financial statements as of 31 December 2019 (Swiss reporting format)

I. Balance sheet as of 31 December⁴

	Notes	2019	2018
<i>in thousands of Swiss Francs (CHF '000s)</i>			
ASSETS			
Current assets			
Cash and short term bank deposits		3,827	5,196
Contracting Party receivables (net)	6	2,364	833
Other account receivables	7	142	54
Total current assets		6,333	6,083
Fixed assets (net)	9	16	18
Total non-current assets		16	18
TOTAL ASSETS		6,349	6,101
LIABILITIES AND FUND BALANCES			
Current liabilities			
Amount owed to IUCN		367	338
Other Payables	8	749	827
Accrued liabilities		71	155
Total current liabilities		1,187	1,320
Provisions			
Staff repatriation	5	150	164
Staff leave	5	137	141
Staff termination	5	154	147
Total provisions		441	452
Fund and Reserves			
Core reserve fund	11	2,648	2,196
Non-core Projects	12	2,073	2,133
Total fund and reserves		4,721	4,329
TOTAL LIABILITIES AND FUND BALANCES		6,349	6,101

⁴ See the notes to the audited statements at

https://www.ramsar.org/sites/default/files/documents/library/report_auditor_ramsar_2019_e.pdf

II. Statement of income and expenditure for the year ended 31 December

<i>in thousands of Swiss Francs (CHF '000s)</i>	Notes	2019			2018		
		Core Funds	Non-Core Projects	Total	Core Funds	Non-Core Projects	Total
Income							
<i>External income:</i>							
Contributions from Contracting Parties		3,779	-	3,779	3,779	-	3,779
US voluntary contributions		1,066	-	1,066	1,066	-	1,066
African voluntary contributions		-	2	2	-	7	7
Project income		-	379	379	-	1,657	1,657
Swiss tax rebates	10	202	-	202	221	-	221
Total external income		5,047	381	5,428	5,066	1,664	6,730
Transfer between core and non-core projects		(115)	115	-	(3)	3	-
Total Income		4,932	496	5,428	5,063	1,667	6,730
Expenditure							
<i>Operating expenditure:</i>							
Resource Mobilisation and Outreach		(319)	(159)	(478)	(556)	(321)	(877)
Regional Advice, Initiatives and Support		(1,245)	(174)	(1,419)	(1,389)	(197)	(1,585)
Scientific and Technical Services		(640)	0	(640)	(301)	27	(275)
Management, Operations and Support		(2,025)	3	(2,022)	(2,446)	(1,353)	(3,799)
Total operating expenditure		(4,230)	(329)	(4,559)	(4,693)	(1,844)	(6,537)
Net Surplus/(Deficit) before Other Income/Expenditure		702	166	868	370	(177)	193
<i>Other income (expenditure):</i>							
Net financial income/(expense)	4	(16)	0	(16)	(32)	(7)	(39)
Non-recurring or prior period expense		-	(227)	(227)			
Provisions and write-offs (expense)		(234)	(0)	(234)	57	-	57
Total other income/expenditure		(250)	(227)	(477)	25	(7)	18
Net Surplus/(Deficit) after Other Income/Expenditure		452	(60)	392	395	(184)	211

STATEMENT OF FUND BALANCE for the year ended 31 December

<i>in thousands of Swiss Francs (CHF '000s)</i>		2019			2018		
		Core Funds	Non-Core Projects	Total	Core Funds	Non-Core Projects	Total
Fund balance at the beginning of the year		2,196	2,133	4,329	1,801	2,317	4,118
Net income / (expenditure) for the year	11	452	(60)	392	395	(184)	211
Fund balance at the end of the year		2,648	2,073	4,721	2,196	2,133	4,329

III. Cash Flow Statement for the year ended 31 December 2019

<i>in thousands of Swiss Francs (CHF '000s)</i>	2019	2018
Cash flow from operations		
Surplus/(Deficit) from Operations	392	211
Depreciation of fixed assets	8	10
Increase / (decrease) in provisions for membership dues in arrears	233	(57)
Increase / (decrease) in staff leave and repatriation liabilities	(17)	31
Increase / (decrease) in the provision for staff termination	7	24
(Increase) / decrease in membership dues receivables (gross)	(1,764)	390
Increase / (decrease) in payables to partner organisations	29	(137)
(Increase) / decrease in other accounts receivable	(88)	20
Increase / (decrease) in membership dues paid in advance	10	280
Increase / (decrease) in accounts payable and accrued liabilities	(129)	(46)
Increase / (decrease) in social charges payable	(44)	10
Total Cash flow from operations	(1,363)	737
Cash flow from investing activities		
Purchase of fixed assets	(6)	(7)
Total Cash flow from investing activities	(6)	(7)
Net Cash inflow/(outflow) for the year	(1,369)	730
Cash and short term deposits at the beginning of the year	5,196	4,466
Cash and short term deposits at the end of the year	3,827	5,196

Annex 2

2019 Core results for the period 01 January – 31 December 2019

(CHF '000s, includes possible rounding differences)

2019 Ramsar Budget SC55 Approved	Approved budget	Authorized use of surplus COP per Res. XIII.2 (yearly)	Committed balances and authorized use 2018 surplus	Budget reallocation 2019	Total available budget	Actual income and expenditure	Balance
CHF '000s	(A)	(B)	(C)	(D)	(E) =A+B+C+D	(F)	(G) =(E)-(F)
INCOME							
Parties' Contributions	3,779	0	0	0	3,779	3,779	(0)
Voluntary contributions	1,065	0	0	0	1,065	1,066	(1)
Income Tax	225	0	0	0	225	202	23
Other Income (including Interest Income)	12	0	0	0	12	15	(3)
TOTAL INCOME	5,081	0	0	0	5,081	5,062	19
EXPENDITURE							
A. Secretariat Senior Management	1,009	5	0	0	1,014	888	126
Salaries and social costs	918	0	0	0	918	847	71
Other employment benefits	51	0	0	0	51	15	36
Travel	40	5	0	0	45	27	18
B. Resource Mobilization and Outreach	639	45	45	0	729	380	349
Salaries and social costs	450	0	0	0	450	266	184
Other employment benefits	5	0	0	0	5	0	5
CEPA Program	30	0	0	0	30	7	23
Comms, Translations, Publications and Reporting Implementation	60	40	0	0	100	44	56
WWD and 50th Anniversary 2021	0	0	45	0	45	3	43
Web/IT support and Development	84	0	0	0	84	60	24
Travel	10	5	0	0	15	0	15
C. Regional Advice and Support	1,324	10	96	(12)	1,418	1,170	248
Salaries and social costs	1,178	0	0	0	1,178	1,087	91
Other employment benefits	71	0	0	0	71	31	40
Travel	75	10	0	(12)	73	52	21
Ramsar Advisory Missions	0	0	96	0	96	0	96
D. Support to Regional Initiatives	100	0	89	0	189	82	107
RI WG Res. XIII.9,p9 and Capacity Building	0	0	46	0	46	0	46
Activity 1: Senegal Basin	25	0	8	(25)	8	8	0
Activity 2: Amazon Basin	25	0	34	8	68	7	61
Activity 3: Central Asia	25	0	0	8	33	33	0
Activity 4: Indo-Burma	25	0	0	8	33	33	0
E. Scientific and Technical Services	754	5	164	12	935	669	266
Salaries and social costs	559	0	0	0	559	528	31
Other employment benefits	4	0	0	0	4	1	3

2019 Ramsar Budget SC55 Approved	Approved budget	Authorized use of surplus COP per Res. XIII.2 (yearly)	Committed balances and authorized use 2018 surplus	Budget reallocation 2019	Total available budget	Actual income and expenditure	Balance
CHF '000s	(A)	(B)	(C)	(D)	(E) =A+B+C+D	(F)	(G) =(E)-(F)
Travel	10	0	0	12	22	22	0
Travel STRP Chair	5	0	0	0	5	3	2
STRP implementation	35	5	0	0	40	9	31
STRP meetings	50	0	0	0	50	34	16
Strategic Plan (2019 - 2021)	0	0	44	0	44	15	29
SDG 6.61 (Inventories)	0	0	120	0	120	29	91
Ramsar Sites Information Service (maintenance and develop)	91	0	0	0	91	29	62
G. Administration/RSIS/Web	436	11	143	0	590	355	235
Salaries and social costs	315	0	0	0	315	209	106
Other employment benefits	1	0	0	0	1	1	0
Staff hiring and departure costs	25	0	52	0	77	51	26
Travel	0	0	0	0	0	0	0
Equipment/Office Supplies	95	0	0	0	95	76	19
Planning and Capacity building	0	11	91	0	102	19	83
H. Standing Committee Services	150	0	90	0	240	150	90
Standing Committee delegates' support	45	0	0	(6)	39	33	6
Standing Committee meetings	10	0	0	6	16	16	(0)
SC translation	60	0	0	0	60	55	5
Simultaneous interpretation at SC meetings	35	0	0	0	35	31	4
Effectiveness Working Group	0	0	70	0	70	15	55
Resolutions review (Res. XIII.4)	0	0	20	0	20	0	20
J. IUCN Administrative Service Charges (maximum)	560	0	0	0	560	524	36
Administration, Human Resources, Finance and IT services	560	0	0	0	560	524	36
K. Miscellaneous - Reserve Fund	109	0	224	0	333	282	51
Provisions	50	0	178	0	228	222	6
Exchange rate gains / losses	0	0	0	0	0	29	(29)
Legal Services	59	0	46	0	105	31	74
TOTAL EXPENDITURE	5,081	76	851	0	6,008	4,500	1,507
Subtotal SURPLUS/(DEFICIT)						562	1,488
Corrections as per paragraph 12 and the rounding						110	
Total Surplus						452	1,488

Notes:

1) Surplus CHF 562 minus CHF 110 (corrections between core and non-core as per paragraph 12 and rounding differences) equals surplus of CHF 452 as per the financial statements

2) See Table 1 for the details of the pre-committed 2019 amounts to be spent in 2020 of the Total Surplus of CHF 1,488K

Annex 3

Projects financed by restricted funds for the period 01 January 2019 - 31 December 2019

(CHF '000s, includes possible rounding differences)

Project Number	Project Name	Balance (deficit) at 31 December 2018 (DR)/CR	Income during 2019 (DR)/CR	Expenditure during 2019 (DR)/CR	Project transfers and cross charges (DR)/CR	Balance (deficit) at 31 December 2019 (DR)/CR
International Cooperation						
R100159	SGF-2009	60	-	-	(60)	-
R100160	SGF 2010	53	-	-	(53)	-
R100161	SGF-2011	23	-	-	(23)	-
R100163	SGF-2009-2020	1	-	(82)	137	56
R100265	SGA-Pre-2016	235	-	(4)	-	231
R100266	SGA-2016	26	0	(4)	-	22
R100362	WFF-2012	34	-	-	(34)	-
R100364	WFF-2014	22	-	(4)	-	18
R100365	WFF - 2015-2017	201	0	(24)	30	208
R100407	RI Central Asia (Norway)	3	-	-	-	3
R100408	Nagao Wetland Fund (NEF Japan)	108	90	(12)	(9)	178
Total of International Cooperation		768	90	(130)	(13)	715
Listed Sites						
R100110	RAM	118	0	(41)	0	77
Total of Listed Sites		118	0	(41)	0	77
Other						
R100100	Admin	363	-	-	13	377
R100102	RSIS redevelopment	39	-	-	-	39
R100103	Web redevelopment	64	-	-	-	64
R100104	Development	7	-	0	20	27
R100105	Science Review	33	-	-	-	33
R100106	Strategic Plan 2016	18	-	-	-	18
R100108	COP12 Translation (FOEN-CH)	45	-	-	-	45
R100190	Water cycle	11	-	-	-	11
R100210	WA Urbanisation	16	-	-	(16)	-
R100311	Rio Cruces	55	-	(3)	-	52
R100402	Bhutan	(10)	-	-	10	-
R100406	WWF Grant, WWD Korea	(4)	-	-	4	-
R100637	COP13 UAE	206	(206)	(0)	-	(0)
R100639	COP13 - sponsored delegates	(94)	1	18	75	-
R100640	COP14 - China	-	-	(4)	-	(4)
R100700	CEPA	13	-	(5)	-	8
R100809	Danone Ecole de l'eau	21	-	-	(21)	-
R100819	Danone Spring	8	-	-	(8)	-

Project Number	Project Name	Balance (deficit) at 31 December 2018 (DR)/CR	Income during 2019 (DR)/CR	Expenditure during 2019 (DR)/CR	Project transfers and cross charges (DR)/CR	Balance (deficit) at 31 December 2019 (DR)/CR
R100816	Danone 2016-2020	178	125	(144)	44	204
R100904	STRP NON-CORE	145	0	0	-	145
R100910	TEEB	39	-	-	(39)	-
R100915	GENDER WORK	-	55	(12)	-	43
R101000	SSFA, Expert Group on Water Cycle	21	(21)	-	-	-
R101001	WCMC, Online National Report Format	14	-	(10)	-	3
R101003	MAVA 13-32	7	-	0	-	7
R101006	Climate Change	7	43	-	-	51
R101007	Tropical Peatlands	-	65	-	-	65
Total of Other		1,201	63	(160)	84	1,189
Regional Initiatives						
R100133	RI - CARIWET	(4)	-	0	4	-
R100135	RI - Mangrove	(1)	-	0	1	-
R100137	RI - East Africa Centre	(0)	-	0	0	-
R100142	RI - Amazon River Basin	(7)	-	0	7	-
R100200	AVC, African Regional Initiatives	58	2	0	33	93
Total of Regional Initiatives		46	2	0	45	93
Grand Total		2,133	155	(331)	115	2,073

Annex 4

Proposed Core Budget 2020

(CHF '000s, includes possible rounding differences)

2020 Ramsar Budget SC55 Approved CHF '000s	Approved budget (COP13- approved) (A)	Authorised use of surplus COP13 XIII.2 (for 2020) (B)	Pre- committed 2019 to be spent in 2020 (C)	Uncommitted carry forward 2019 to 2020 (D)	Total 2020 budget (E=A+B+C+D)
INCOME					
Parties' Contributions	3,779	0	0	0	3,779
Voluntary contributions	1,065	0	0	0	1,065
Income Tax	225	0	19	0	244
Other Income (including Interest Income)	12	0	0	0	12
TOTAL INCOME	5,081	0	19	0	5,100
EXPENDITURE					
A. Secretariat Senior Management	1,009	5	0	126	1,140
Salaries and social costs	918	0	0	71	989
Other employment benefits	51	0	0	36	87
Travel	40	5	0	18	63
B. Resource Mobilization and Outreach	639	45	81	269	1,033
Salaries and social costs	450	0	0	184	634
Other employment benefits	5	0	0	5	10
CEPA Program	30	0	0	23	54
Comms, Translations, Publications and Reporting Implementation	60	40	0	56	156
WWD & 50th Anniversary 2021	0	0	43	0	43
Web/IT support and Development	84	0	38	(14)	108
Travel	10	5	0	15	30
C. Regional Advice and Support	1,324	10	96	152	1,582
Salaries and social costs	1,178	0	0	91	1,269
Other employment benefits	71	0	0	40	111
Travel	75	10	0	21	106
Ramsar Advisory Missions	0	0	96	0	96
D. Support to Regional Initiatives	100	0	107	0	207
RI WG Res. XIII.9,p9 & Capacity Building	0	0	46	0	46
Activity 1: Senegal Basin	25	0	0	0	25
Activity 2: Amazon Basin	25	0	61	0	86
Activity 3: Central Asia	25	0	0	0	25
Activity 4: Indo-Burma	25	0	0	0	25

2020 Ramsar Budget	Approved budget (COP13-approved)	Authorised use of surplus COP13 XIII.2 (for 2020)	Pre-committed 2019 to be spent in 2020	Uncommitted carry forward 2019 to 2020	Total 2020 budget
SC55 Approved	(A)	(B)	(C)	(D)	(E=A+B+C+D)
CHF '000s					
E. Scientific and Technical Services	754	5	121	145	1,025
Salaries and social costs	559	0	0	31	590
Other employment benefits	4	0	0	3	7
Travel	10	0	0	0	10
Travel STRP Chair	5	0	0	2	7
STRP implementation	35	5	0	31	71
STRP meetings	50	0	0	16	66
Strategic Plan (2019 - 2021)	0	0	29	0	29
SDG 6.61 (Inventories)	0	0	91	0	91
Ramsar Sites Information Service (maintenance and develop)	91	0	0	62	153
G. Administration/RSIS/Web	436	11	83	151	682
Salaries and social costs	315	0	0	106	421
Other employment benefits	1	0	0	0	1
Staff hiring and departure costs	25	0	0	26	51
Travel	0	0	0	0	0
Equipment/Office Supplies	95	0	0	19	114
Planning and Capacity building	0	11	83	0	94
H. Standing Committee Services	150	0	75	15	240
Standing Committee delegates' support	45	0	0	6	51
Standing Committee meetings	10	0	0	0	10
SC translation	60	0	0	5	65
Simultaneous interpretation at SC meetings	35	0	0	4	39
Effectiveness Working Group	0	0	55	0	55
Resolutions review (Res. XIII.4)	0	0	20	0	20
J. IUCN Administrative Service Charges (max.)	560	0	0	36	596
Administration, Human Resources, Finance & IT services	560	0	0	36	596
K. Miscellaneous - Reserve Fund	109	0	25	26	160
Provisions	50	0	0	6	56
Exchange rate gains / losses	0	0	0	(29)	(29)
Legal Services	59	0	25	49	133
TOTAL EXPENDITURE	5,081	76	588	919	6,664