



**UNITED NATIONS
ENVIRONMENT PROGRAMME**

**Review of the possible change in institutional host
for the Ramsar Secretariat**

ADDITIONAL OBSERVATIONS
Addressed to members of the
Ramsar Ad Hoc Working Group on Administrative Reform

20 June 2011

1. UNEP is referring to the letter from the Chair of the Ramsar Ad Hoc Working Group on Administrative Reform (AHWG), dated 9 June 2011, in which IUCN, UNEP and the Ramsar Secretariat are invited to provide to the Working Group additional information believed to be useful to inform the decision making of the Parties in this process.
2. Furthermore, UNEP has taken note of decision SC42-30, taken by the Ramsar Standing Committee on 20 May 2011, and in particular its paragraph 4 in which UNEP is invited, together with IUCN and the Ramsar Secretariat, to provide to the AHWG any additional information it believes to be useful to inform the decision making of the Parties.
3. In line with the invitation, UNEP wishes to use this opportunity to provide some additional information, in particular to address some of the issues raised by Parties during this meeting of the Standing Committee.
4. For recollection of the AHWG, UNEP has provided two major reports to the members of the Group, in December 2009 and in October 2010, in response to specific requests from the co-chairs of the AHWG. In addition, UNEP has answered in writing to queries from individual countries. These responses have also been distributed to the AHWG members. Furthermore, UNEP has given presentations and briefings on the same topic to the AHWG, and has orally responded to questions.
5. UNEP believes that these documents, read together, provide a comprehensive insight into the issues linked to a possible change in institutional host for the Secretariat of the Ramsar Convention. UNEP wishes to underline that the contents has been specifically adapted in order to provide the full range of details as solicited.
6. UNEP does not wish to reiterate nor repeat our well-researched and elaborate formulated submissions. However, in particular for the benefit of parties who have not been able to follow the proceedings of the AHWG in detail, and as requested by some Parties at the recently convened Standing Committee, UNEP is below summarizing in an Executive Summary the key findings as contained in our previous submissions.

7. *Executive Summary*

The Ramsar Convention is at the moment the only major global environmental treaty the Secretariat of which remains outside the United Nations, due to historic reasons. Its Parties have decided to undertake a review of efficient and effective measures to improve the capacity and operation of the Secretariat to support and facilitate the implementation of the Convention and serve the interests of the Contracting Parties.

Having UNEP as host organization of the Secretariat would bring, among others, the following key positive effects:

Strengthened implementation of the Convention

- *Enhanced political importance* of the Convention among policy and decision makers as well as the general public, combined with strengthened convening power, image, visibility and recognition of the Convention at the national, regional and global levels through association with the United Nations;

- *Enhanced impact of wetlands conservation at the national level*, in particular, through enhanced political importance and increased public awareness;

- *Enhanced funding for the implementation of the Convention* anticipated through increased national priority setting and integration in national development plans and strategies including thorough enhanced funding possibilities through UNFIP, UNDA and the MDGs; Possible access to sources of funding exclusively earmarked for UN organizations.

- *Direct access to technical and scientific capacity, knowledge and expertise* of UNEP as a science-based organization;

- *Direct access to legal expertise and capacity* of UNEP, its network of regional based legal officers and MEA Focal Points would be available, as well as UNEP's legal specialists at UNEP Headquarters, if required;
- *Equal partner to other biodiversity-related MEAs* administered by UNEP or other UN entities;
- *Immediate enhanced status of the Convention at intergovernmental meetings* through similar accreditation procedures as other UN entities;
- *Strengthened partnership and business sector involvement* possible through enhanced recognition of partners and business due to UN affiliation;
- *Enhanced fund raising efforts and capacity* through UNEP's specialized Resource Mobilization Section.

Administration and Budget

- *Similar or enhanced Secretariat capacity, quality, services and facilities* under UNEP hosting arrangements compared to current arrangements. Based on the information, calculations and considerations contained in UNEP's reports of August 2009 and October 2010, UNEP fully believes that based on the approved budget 2009-2012, a change in institutional host to UNEP will *not* increase the budget; will *not* impact the assessed contribution; will *not* weaken but enhance the human resource capacity of the Secretariat; and will *not* diminish the quality of finance, budget, human resources, IT and other services provided by the current host;
- *Enhanced facilitation of travel of Secretariat staff* through UN Laissez-Passers; selected immunity and privileges provisions; centralized visa processing support; and security arrangements in line with UN rules and regulations.

Transition Arrangements

- *Minimal disruption in Secretariat work* with change of host arrangements as reflected in different and flexible options contained in UNEP's reports;
- *The physical move of the Ramsar Secretariat* as part of the transition arrangements can be organized with minimum disruptions, including the possibility of delaying the physical move in the short and medium term;
- The transition arrangements are *partly bound by legal requirements and practicalities* due to the time schedule of meetings, including COP12, UNEP GC/GMEF etc;
- The duration of the transition arrangements for staff will largely depend on the decisions taken by the Parties in terms of staff contracts and on the understandings reached between UNEP and IUCN.

8. Some members have requested UNEP to provide a reaction to the letter and annex the Ramsar Secretary General sent to the members of the Standing Committee just prior to its 42nd meeting. It contains a repetition of the annex sent by the Secretary General to the co-chairs on 29 November 2010, copied to the Executive Director of UNEP. In this letter and annex, the Secretary General conveyed the comments of the Ramsar Secretariat to UNEP's report of 7 October 2010.
9. Although UNEP does not consider it appropriate and preferable to directly engage in an argumentative discussion on comments of the Ramsar Secretariat, we would like to make the below remarks in response to this communication, as requested by some Parties.
10. UNEP has noted that the observations and comments made in the letter from the Ramsar Executive Secretary in a number of areas are based on misunderstandings therefore producing misleading conclusions.

11. The below will not individually address each issue as the majority are either addressed in UNEP's previous reports or above. UNEP does, however, wish to underline and reiterate the following in response to the letter from the Ramsar Secretary General:

- a. As described in both UNEP's reports and in our interaction with the Ad Hoc Working Group on Administrative Reform, UNEP has successfully demonstrated that a change in institutional host to UNEP can be accommodated within the existing budget for the operations of the secretariat and implementation of activities without decrease the capacity, quality, services and facilities. The actual composition of a streamlined, less top-heavy and strengthened organizational structure can be presented in multiple ways of which UNEP has only aimed at presenting a few. Other variations could be considered by the Parties for their decision taking.
- b. The 13% Programme Support Costs (PSC) will provide the required vital HR, IT, finance, budget and other support services to the Ramsar Secretariat under all the scenarios presented. The capacity will be provided both through central services from UNON/UNEP and through human resources placed within the Ramsar Secretariat. Currently, the Ramsar Secretariat pays 13% PSC to IUCN for administrative services and the Financing Officer and other support functions are covered by the Ramsar core budget. Under a UNEP arrangement, all administrative services including the Financing Officer and other human resources for administrative purposes will be paid by the PSC.

The administrative support to the Ramsar Secretariat under all scenarios will fully relate to the PSC paid. There will always be a correlation between expenditures (activities) and the administrative support. The more activities (expenditures), the higher PSC and the more support needed and provided.

The legal support to be provided by UNEP to the Ramsar Secretariat will not come from the PSC directly but indirectly through the PSC withheld by UNEP for central functions. The exact type of legal support would be dependent on the need as expressed by the

Ramsar Secretariat. The costs for legal support currently paid by Ramsar to consultants or others could be used for activities instead. For example, the Geneva-based Legal Officer has this year provided substantive support to the Secretariats of the Carpathian Convention, Tehran Convention on the Caspian Sea and the Convention on Migratory Species, upon their request. This support ranged from drafting and reviewing of meeting documents, advising on legal terms and other legal issues, acting as legal advisor during meetings. UNEP strongly advocates cooperation and support among the various parts of the same UNEP family.

- c. In relation to transition costs and as indicated in the submission, additional staff requirements related to the transition will be covered by UNEP, including legal support and staff counseling. UNEP has in its submission further proposed a detailed and personalized review of the transitional arrangements for each individual staff member. If the parties wish, UNEP has adequate legal capacity to advice on change in the convention text.
- d. As regards the relationship with the Host Country (Switzerland), UNEP wishes to underline that there is no relationship between the Host Country, the payment of PSC and the Finance and Administrative Officer, as stated in the letter from the Ramsar Secretary General. We further wish to draw the attention of the Ad Hoc Working Group that that UNEP's submission is signed of by its Executive Director, including the possibilities of funding posts from the PSC.
- e. The Biodiversity MEA Focal Points in the UNEP Regional Offices are recruited by UNEP to support the MEAs administered by UNEP. It is positive that some of those focal points currently are providing support to Ramsar Secretariat. However, it should be noted that such support is limited and incidental; the job description of the Biodiversity Focal Points does not cover the Ramsar Convention. Under UNEP administration the support to the Ramsar Secretariat would be an integral part of the support and anticipated to be larger than the support provided today.

12. UNEP stands ready to respond to provide further information as necessary and as requested by Parties through the Ad Hoc Working Group.
13. In addition to the above remarks pertaining to the letter of the Ramsar Secretary General, UNEP wishes to make the following observations, in response to statements and remarks made during the 42nd meeting of the Standing Committee.
14. **Partnerships.** The Ramsar Partnership Coordinator stated that, while referring to potential business partnerships, there would be less flexibility under UNEP, and that some of her suggestions would not be possible in case Ramsar would be administered by UNEP. UNEP disputes this assertion.
15. The existing and foreseen partnership possibilities, including with the private sector, would be entirely feasible. As elaborated in UNEP's submissions, and after taking careful note of the contents of Doc. SC42-20, one may even foresee that the current over-dependence upon one private sector donor, as noted in Decision 42-12, could be better addressed with the Secretariat being part of the UN system, since in UNEP's experience this may often act as an incentive for (business) partnerships.
16. **Ramsar Secretariat Staff.** Another assertion included in the report of SC42 is also based on a not correct premise. UNEP is, as are the Ramsar parties, very much convinced about the excellent quality of the Ramsar Secretariat staff. In UNEP's submissions, we have repeatedly stressed and indicated that UNEP will undertake all that is possible to retain the current staff members, including negotiations with IUCN on transition possibilities. Indeed, UNEP cannot guarantee that all Ramsar staff will automatically be granted a post through a UN recruitment process, since this would be contrary to UN rules and regulations, which operate from the principle of competitive recruitment. However, to state that this would mean that all "new staff" would have to be recruited is a misrepresentation of the information contained in the UNEP reports.
17. **Exchange rates.** UNEP also wishes to use this opportunity to further elaborate on the exchange rate issue, since this is a recurring topic. In our October 2010 submission, an exchange rate 1 CHF : 1 USD was utilized.

Due to the exchange rate fluctuations since then, as well as before, UNEP has been asked what a change in exchange rate between the two currencies would mean for the assessed contribution of the Parties.

18. Currently, Ramsar's budgets are in Swiss francs (CHF) whereas the United Nations budgets in United States Dollars (USD), in line with UN financial rules and regulations.

19. In an approved USD budget the currency of assessment (or apportionment between Parties) will be the USD. In respect of income to Convention trust funds, currency fluctuations will affect the amounts owed from countries that do not use USD as their national currency in the same way that currency fluctuations presently affect the amounts owed by countries that do not use the CHF as their national currency. To the extent that the contribution due from the USA (annual contribution 2009: USD 941,094) exceeds the amount due from Switzerland (annual contribution 2009: USD 51,998)¹ the income side of a USD budget may be less affected by currency fluctuations. It is worth underlining that the main impact on parties in terms of the assessed contribution will be the exchange rate between their national currency and the USD and not between USD-CHF.

20. To summarize:

- if the USD weakens against the national currency of a given Party, the assessed contribution in the national currency will be less;
- if the USD strengthens against the national currency of a given Party, the assessed contribution in the national currency will be more;
- for countries paying their contribution in USD, exchange rate fluctuations will not impact their assessed contribution.

21. Under a UNEP scenario, the majority of the costs for operations under the Ramsar Convention, including its global operations and staff costs, would be budgeted and accounted for in USD. As with the CHF, if the USD weakens against the currencies in which costs are incurred, the purchasing

¹ Amounts taken from COP Resolution X.2, 1998

power of Ramsar's budget will be constrained. This is likely to present a risk in terms of the Convention's CHF spending.

22. However, since the USD is a more widely used reserve currency, and is the currency to which many developing countries' currencies are linked (if not actually pegged), a USD budget may facilitate a more predictable global operation, with fewer conversion costs.

23. In respect of staff costs, it is worth noting that the base salary of all UN staff is calculated in USD whereas the post adjustment (a duty-station specific cost-of-living allowance) is more closely linked to exchange rates and inflation.

24. Considered over an extended period, there are likely to be few predictable operational differences between the use of the USD vis-a-vis the CHF. A USD budget may experience fewer income fluctuations as a result of exchange rate variations but may experience more purchasing power fluctuations, particularly in respect of its CHF costs. These differences can be addressed in the budget process. In this regard, the UN applies a standard salary costs schedule to its staffing tables which for future periods incorporate an inflation and exchange rate projection (see http://www.un.org/Depts/OHRM/salaries_allowances/salary.htm).

25. **Linkages to Rio+20.** In June 2012, about two weeks prior to the 11th Meeting of the Ramsar Contracting Parties, the United Nations Conference on Environment and Sustainable Development will take place in Rio de Janeiro, Brazil. It has been suggested by some SC members that perhaps there would be not enough time to absorb the Rio+20 outcome into the foreseen COP decision on administrative arrangements of the Ramsar Secretariat.

26. One of the two main themes of the Rio+20 Conference will be “the institutional framework for sustainable development.” At this moment, it is indeed not foreseeable what the outcome on this topic will entail. However, what can be expected is that the outcome of Rio+20 will be far more concrete in the beginning of 2012.

27. Further, regarding its content on the institutional framework, directions have already been indicated in the preparatory process. Many delegations have expressed the view that reforms to institutional arrangements will be based on the existing structure, while enhancing coordination, coherence, and synergies. It has been identified by a number of countries that strengthening international environmental governance is a key element and condition for improving the institutional framework for sustainable development, and that the options for broader institutional reform identified in the Nairobi-Helsinki Outcome will have to be taken into account. Many states have pointed to the urgent need for enhanced coordination and cooperation among all international organizations, agencies and conventions, so as to ensure implementation of commitments, promote synergies and allow the participation of major groups.
28. The above governmental statements of direction all point towards a direction where MEA Secretariats will have to work closer together. Although the Ramsar Secretariat is already closely cooperating with other relevant MEA Secretariats, it is easy to see that attachment under a same institutional host would make even closer cooperation more readily accessible.
