**REPORT OF THE SECRETARIAT ON FINANCE AND**

**ADMINISTRATIVE ISSUES**

*Prepared by the UNEP/AEWA Secretariat*

**Introduction**

At the 7th Session of the Meeting of the Parties (MOP7) in December 2018, the core budget for 2019-2021 was adopted through Resolution 7.12. As a consequence of the postponement of MOP8 from 2021 to 2022 the Parties adopted a budget for the year 2022 through Resolution Ex. 3 on Financial and Administrative Matters via a silence procedure and with effect as of 1 December 2021. Through the budget for 2022 **all Party contributions were maintained with the same amount as invoiced for the year 2021.**

The Secretariat reported on financial and administrative matters

* at the 15th Standing Committee Meeting in December 2019 for the period 1 January 2016 – 31 December 2018 and for 2019 (as at 9 December 2019),
* to the 16th Standing Committee Meeting in April 2021 for the period 1 January 2020 – 24 March 2021 and for 2019 after closure of 2019 accounts
* and to the 21st Standing Committee Meeting in June 2022 for 2021 after closure of 2021 accounts and for 2022.

The present report aims to report on the period 1 January 2019 – 3 August 2022, including a projection of expenditures for the period 4 August until 31 December 2022.

**Action Requested from the Meeting of the Parties**

The Meeting of the Parties is requested to review and approve the information provided in the report.

**1. Staffing (1 January 2019 – 3 August 2022)**

For details on the staffing situation and organisation of the Secretariat please see the Report of the Secretariat (UNEP/AEWA/MOP/8.9). It should be noted that while the AEWA Parties decide on the composition of posts and activities of AEWA through their MOP Resolutions, the Secretariat, being administered by the United Nations Environment Programme (UNEP), is bound to the UN and UNEP rules and regulations with respect to all human resources and related financial matters. The services provided by UNEP to AEWA through the Nairobi-based services and the Bonn-based AFMU are financed through a mechanism called Programme Support Costs (PSC), which is funded by a 13% levy on the budgets of AEWA, Eurobats and CMS. This mechanism and its percentage have been decided and confirmed by the member states at successive UN General Assemblies.

The Secretariat would like to point out that it becomes increasingly difficult to find sufficient financial resources for the Secretariat’s posts that are partially or fully depending on voluntary contributions. Voluntary contributions are still lacking for both positions under the African Initiative (Coordinator (P-2) and Programme Management Assistant (G-5)), which are both covered through the AEWA core budget at 50 % level only. Thanks to the generous contributions received from the EC and the Governments of Luxembourg, Germany, Switzerland and UK for specific projects related to the work of the African unit the positions could be maintained at 100 % (P-2) and 80 % (G-5) respectively in 2019-2022. For the Species Action Plan Coordinator (P3) position, no funding has been available since May 2021, and the recruitment process for a new incumbent had to be stopped after the person in that position left in March 2021.

The Secretariat would like to highlight in this context that the enterprise resource planning system in place at UNEP (UMOJA) requires funds to be received well in advance in order to leave a sufficient amount of time for the administrative processes of preparing for, spending and reporting on the funding received.

**2. Core Budget (AWL) - Overview of income and expenditure**

The AEWA Trust Fund is administered by UNEP as per Resolutions Ex.3, 7.12. The administration of the Trust Fund is governed by the financial and staff regulations and rules of the United Nations and other administrative policies or procedures, promulgated by the Secretary-General of the United Nations. In accordance with United Nations rules and because UNEP provides support to the Secretariat through the common AFMU, UNEP deducts from the income an administrative charge equal to 13 per cent of the expenditure charged to the AEWA Trust Fund in respect of activities financed under AEWA. The financial resources of the Trust Fund are derived from the annual contributions made by AEWA Parties. All contributions to the Trust Fund are paid in Euros and are due on 1 January with a deadline for payment on 30 June of the running year.

*Income*

The assessed contributions 2019-2021 approved by MOP7 amount to EUR 3,203,160. Since the adoption of the budget 2019-2021 the Governments of Serbia, Malawi, Armenia and Turkmenistan joined the Agreement, which added to the assessed contributions approved by MOP7. As the Central African Republic joined the Agreement with effect as of 1 January 2019, its contribution was already taken into consideration by the Parties in Resolution 7.12.

For 2022 a budget of 1,089,988 EUR was adopted by the Contracting Parties via silence procedure.

Annex 1 summarizes the status of collection of annual assessed contributions from Parties as at 3 August 2022. The overview shows that **unpaid contributions** amount to a total of **EUR 808,252**, split up as follows:

2022: EUR 308,058

2021: EUR 133,469

2020: EUR 57,338

2019: EUR 48,442

2018 and previous years: EUR 260,945

It should be noted that the deadline for payments of the assessed contributions in 2022 is 30 June, in accordance with Resolutions Ex. 3, 7.12, which explains the still relatively high outstanding amount for 2022. Invoices are sent to Parties twice per year and refer to the whole triennium to enable Parties to make future payments, as requested by Resolutions Ex. 3, 7.12 (“requests Parties, in particular those that are required to pay the minimum contribution, to consider paying for the whole triennium in one instalment”). The invoices also cover all unpaid contributions from past years. The Secretariat regularly reminds Parties with arrears to pay their dues and has been successful in individual cases; actually, only six countries from the 82 Parties have not yet made any payment since their accession.

*Expenditures (2019)*

Annex 2 shows the budget implementation for 2019 as at 31 December 2019. Overall, the budget shows a negative end-year balance of EUR 82,938 (including 13 % PSC) due to over-expenditure in both staff lines, Professional Staff (category P) and General Service Staff (category G). This negative balance has been compensated through a withdrawal of the trust fund.

EUR 758,800 of the total budget is for staff salaries, corresponding to 85.20 per cent of the 2019 budget. The staff overspendings result mainly from an increase in working hours from 50 per cent to 100 per cent and  
80 per cent respectively for the Coordinator and Programme Management Assistant of the African Initiative. In the budget proposal 2019-2021 (scenario 3) for MOP7, it had been proposed to the Parties to fund these two positions at respectively 100 per cent and 80 per cent to avoid any further deficit. Finally, it should be noted that the costs related to the interpretation services and staff overtime at MOP7 were partly recorded in 2019 due to delays in payments.

*Expenditures (2020)*

Annex 3 provides a report of 2020 budget implementation as at 31 December 2020. The budget shows a positive end balance of EUR 52,051 (including 13 % PSC), which correspondents to an implementation rate of 95 per cent. Savings were mainly made due to the COVID-19 pandemic, which resulted in the cancellation of most staff travel in 2020, the organisation of the TC meeting in January 2021 in virtual format, and in savings of operative cost due to the fact that staff members were working from home most of the time. These savings will flow into the AEWA trust fund. Thanks to voluntary contributions received the negative balance in the staff budget lines was less important in 2020 than in 2019.

*Expenditures (2021)*

Annex 4 provides the final report of 2021 budget implementation as at 31 December 2021. Overall, the budget shows a positive end-year balance of EUR 162,429 EUR (including 13 % PSC) despite the over-expenditure in both staff lines, Professional Staff and General Service Staff, which like in previous years result from an increase in working hours mainly for the African Initiative staff. This positive balance is again caused by savings of operative costs and travel expenses due to the exceptional working situation of the Secretariat during the pandemic. Moreover, the budget for servicing the Meeting of the Parties has remained unused due to the postponement of MOP8; this budget was redeployed for the organisation of MOP8 in 2022 and is reflected in the expenditure report for the year 2022.

*Expenditures (2022)*

Annex 5 provides an interim report of 2022 budget implementation as at 3 August 2022. The budget reflects the available funds for the organisation and interpretation at MOP8, which have been redeployed from the 2021 budget. A projection of expenditures has been provided to reflect the budget situation expected at the end of the year. The working situation within the Secretariat due to the pandemic remained unchanged in the first quarter of this year, which caused similar savings of operative costs and travel expenses. Since the Secretariat was able to return to its usual business as of 1 June 2022 it is expected that the operative and travel expenses will be exhausted by the end of the year. Like in the previous years the increase in working hours for some staff members will cause over expenditures at the end of the year, should no additional voluntary contributions be provided to close these gaps. To avoid this recurrent situation, it is proposed under Scenario 3 of the budget proposal for 2023-2025 to fund both positions of the African Initiative through the core budget at 100 % (P-2) and 80 % (G-5) respectively (AEWA MOP doc 8.39 Corr. 1)

*Trust Fund balance*

The Trust Fund balance reflects the cash available after deduction of the operating reserve, all accounts payables and unliquidated obligations. The cash available is the sum of all annual contributions received from Contracting Parties; outstanding due contributions are not counted in. In accordance with Resolution 7.12 the operating reserve is the working capital that must be maintained at a level of at least 15 per cent of the estimated annual expenditure or EUR 150,000, whichever is higher. Account payables that are deducted reflect e.g., amounts that need to be paid back to vendors or staff members. Unliquidated obligations are amounts foreseen to be paid to vendors and partners under contracts in place. It should also be noted that the Secretariat is reimbursed for VAT payments quarterly, which causes movements on the level of the trust fund balance as amounts are paid out with individual expenses but refunded by the German government every quarter.

The projected Trust Fund balance for assessed contributions as at 31 December 2022 is expected to amount to **EUR 156,251** after deduction of the operating reserve of **EUR 171,071** (15 %) and all account payables and unliquidated obligations. The Secretariat would like to highlight that the trust fund balance can undergo significant changes due to the fact that outstanding contributions are made regularly and expenditures against the Trust Fund are continuously being made. It should also be noted that the level of the Trust fund balance is decreasing compared to the previous triennials. The decrease is caused by two factors mainly: 1. Unpaid contributions and 2. Consecutive adoption of zero nominal/ real growth scenarios which resulted in negative balances for staff budget lines as not all positions required to cope with the Secretariat’s workload could be financed through the core budget or voluntary contributions received.

**3. Voluntary Contributions (AVL) - Overview of collections 1 January 2019 – 3 August 2022**

In addition to the annual contributions paid by Parties towards the AEWA core budget (AWL), the Secretariat also received voluntary contributions from different Governments that were earmarked for certain activities and projects. These voluntary contributions are managed in a separate Trust Fund (AVL). Annexes 6, 7, 8 and 9 summarize the voluntary contributions to the AVL Trust fund in 2019, 2020, 2021 and 2022 respectively. Voluntary contributions received towards the European Management Platform (EGMP) are reflected in separate tables as the EGMP is a specific programme which is fully funded by its Range States and not through the AEWA core budget. The contributions were received in different currencies but converted to euros for the purpose of this report.[[1]](#footnote-1) The pledged voluntary contributions amounted to **EUR 214,068** for general activities, and **EUR 212,664** for EGMP in 2019 (Annex 6), **EUR 493,254** for general AEWA activities, and **EUR 220,921** for EGMP activities in 2020 (Annex 7), **EUR 203,887** for general AEWA activities (plus EUR 124,500 which remained unpaid), and **EUR 144,075** for EGMP activitiesin 2021 (Annex 8) and **EUR 148,070** for general AEWA activities (plus EUR 20,000 still unpaid), and **EUR 88,829** for EGMP activitiesin 2022 (Annex 9). In 2019, 2020 and 2021, the three main activities funded by voluntary contributions were the Lesser White-fronted Goose Action plan implementation, the African coordination and the production of the 8th Conservation Status Report and other documents for MOP8. The contributions received in 2022 were earmarked for the preparations of the African pre-MOP and MOP8. The Secretariat would like to thank all Governments and organisations that have provided contributions to AEWA.

**4. In-kind Contributions received since 1 January 2019**

The Secretariat was requested through Resolution 7.12 “to endeavour compiling a list of all in-kind contributions received in support of meetings, workshops and other projects (co-)organised by the Secretariat to be published through the Report of the Secretariat on Finance and Administrative Issues in 2019-2021.

To ease the receipt of information on in-kind contributions from donors the Secretariat has developed an in-kind contributions form and accompanying guidance which is available at <https://www.unep-aewa.org/en/page/how-aewa-financed>

It should be noted that in-kind contributions most often relate to the organisation of meetings and workshops, which have all taken place in virtual format since March 2020, thus without host and causing minimal costs. Despite efforts made by the Secretariat to reach out individually regarding in-kind contributions in 2019 not much information has been received by the Secretariat.

The in-kind contributions form has been sent to all focal points under the European Goose Management Platform aiming to receive information on in-kind contributions towards the EGMP. No Range State has returned the in-kind contribution form with details back to the Secretariat.

Thus, in this report no information on in-kind contributions could be reflected. The Secretariat plans to send the in-kind contributions form to donors contributing towards an AEWA activity through an in-kind contribution in future when the organization of meetings and workshops will hopefully become part of the daily reality again.

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| **ANNEX 1: GENERAL TRUST FUND OF THE AGREEMENT ON THE CONSERVATION OF AFRICAN - EURASIAN MIGRATORY WATERBIRDS (AWL)**  **Status of Contributions from Contracting Parties as at 3 August 2022 (Euros)** |



 

\*No payment since the accession to the Agreement

**ANNEX 2**

**IMPLEMENTATION OF THE APPROVED AEWA BUDGET 2019**



**ANNEX 3**

**IMPLEMENTATION OF THE APPROVED AEWA BUDGET 2020**



**ANNEX 4**

**IMPLEMENTATION OF THE APPROVED AEWA BUDGET 2021**



**ANNEX 5**

**IMPLEMENTATION OF THE APPROVED AEWA BUDGET 2022**



**ANNEX 6:**

**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE AGREEMENT ON THE CONSERVATION OF AFRICAN-EURASIAN MIGRATORY WATERBIRDS (AVL) AS AT 31 DECEMBER 2019**



**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE EUROPEAN GOOSE MANAGEMENT PLATFORM AS AT 31 DECEMBER 2019**



**ANNEX 7:**

**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE AGREEMENT ON THE CONSERVATION OF AFRICAN-EURASIAN MIGRATORY WATERBIRDS (AVL) AS AT 31 DECEMBER 2020**



**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE EUROPEAN GOOSE MANAGEMENT PLATFORM AS AT 31 DECEMBER 2020**



**ANNEX 8:**

**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE AGREEMENT ON THE CONSERVATION OF AFRICAN-EURASIAN MIGRATORY WATERBIRDS (AVL) AS AT 31 DECEMBER 2021**



**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE EUROPEAN GOOSE MANAGEMENT PLATFORM**

**AS AT 31 DECEMBER 2021**



**ANNEX 9:**

**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE AGREEMENT ON THE CONSERVATION OF AFRICAN-EURASIAN MIGRATORY WATERBIRDS (AVL) AS AT 3 AUGUST 2022**



**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE EUROPEAN GOOSE MANAGEMENT PLATFORM**

**AS AT 3 AUGUST 2022**



1. Average exchange rates used for 2019: 0,89; 2020: 0,86; 2021: 0,83; 2022: 0,92. [↑](#footnote-ref-1)