**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. 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).

The present document focuses on staffing issues and income and expenditures for the period 1 January 2020 – 24 March 2021. To complement the report delivered at StC15 it also contains the final expenditure situation for 2019 after closure of 2019 accounts.

**Action Requested from the Standing Committee:**

The Standing Committee is requested to take note of the information provided in the report.

**1. Staffing (January 2020 – March 2021)**

For details on the staffing situation and organisation of the Secretariat please see the Report of the Secretariat (UNEP/AEWA/StC/16.5). 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 to AEWA by UNEP through the Administrative and Finance Management Unit (AFMU) are financed partially through a PSC of 13 % of the AEWA budget.

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. Since the last StC meeting, the Secretariat refilled the position of the Assistant to the European Goose Management Platform through a consultancy. This position will be kept as long as the funding permits it. Voluntary contributions are, however, 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 the positions could be maintained at 100 % (P-2) and 80 % (G-5) respectively in 2020 and beyond. However, the Secretariat is urgently looking for additional funding to cover the second half of 2021 for both positions. The Secretariat would like to highlight 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. The administration of the Trust Fund is governed by the financial regulations and rules of the United Nations, the 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, 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*

Annex 1 summarizes the status of collection of annual assessed contributions from Parties as at 28 March 2021. The assessed contributions 2019-2021 approved by MOP7 amount to EUR 3,203,160. Since the adoption of the budget the Governments of Serbia, Malawi, Armenia and Turkmenistan joined the Agreement, which adds to the assessed contributions approved by MOP7. The overview shows a fairly healthy income situation. Still, unpaid contributions amount to a total of EUR 941,378, split up as follows: EUR 377,727 for 2019 and previous years, EUR 164,131 for 2020 and EUR 399,520for 2021. It should be noted that the deadline for payments of the assessed contributions in 2021 is 30 June, in accordance with Resolution 7.12, which explains the relatively high outstanding amount for 2021. Invoices are sent to Parties twice per year and refer to the whole triennium to enable Parties to make future payments, as requested by Resolution 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 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 and General Service Staff. 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 2022-2024 (scenario 3) for MOP7, it was proposed to the Parties to fund these two positions at respectively 100 per cent and 80 per cent to avoid any further deficit. The Secretariat would also like to point out 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 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.

*Expenditures (2021)*

Annex 4 provides an interim report of 2021 budget implementation as at 24 March 2021. 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.

*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 150,000 Euros, 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 Trust Fund balance for assessed contributions as at 24 March 2021 amounts to **USD 644,790** after deduction of the operating reserve of € 150,000 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.

**3. Voluntary Contributions (AVL) - Overview of collections 1 January 2019 – 31 March 2021**

In addition to the annual contributions paid by Parties towards the AEWA core budget (AWL), the Secretariat also received voluntary contributions from different Governments and organisations that were earmarked for certain activities. These voluntary contributions are managed in the separate Trust Fund (AVL). Annexes 5 and 6 summarize the voluntary contributions to the AVL Trust fund in 2020 and 2021 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 are received in different currencies, but were converted to euros for the purpose of this report. The pledged voluntary contributions amounted to **EUR 499,201** for general AEWA activities, and **EUR 221,563** for EGMP activities in 2020 (Annex 5) and **EUR 166,868** for general AEWA activities, and **EUR 32,342** for EGMP activitiesin 2021 (Annex 6). In 2020, 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. 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>

The 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 with the deadline of 30 April 2021. The overview of in-kind contributions to the EGMP will therefore become available in May only and is scheduled to be presented at the 6th meeting of the EGM International Working Group on 21-24 June 2021.

The Secretariat, moreover, plans to circulate the new form to all AEWA focal points before MOP8 in order to receive complete information on in-kind contributions in 2019-2021, as - despite efforts made by the Secretariat to reach out individually - no update information has been received since the last Standing Committee meeting. Of course, 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.

|  |
| --- |
| **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 28 March 2021 (Euros)** |
|  |  |  |  |  |  |  |  |  |  |







**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:**

**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 6:**

**GENERAL TRUST FUND FOR VOLUNTARY CONTRIBUTIONS IN RESPECT OF THE AGREEMENT ON THE CONSERVATION OF AFRICAN-EURASIAN MIGRATORY WATERBIRDS (AVL) AS AT 28 MARCH 2021**



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

**AS AT 28 MARCH 2021**

