



SECOND MEETING OF THE STANDING COMMITTEE

2 - 3 November 2004, Bonn, Germany

FINANCIAL AND ADMINISTRATIVE MATTERS

REPORT ON INCOME AND EXPENDITURES FOR 2003-2004

Prepared by the Secretariat

INTRODUCTION

The budget proposal for 2003-2005 was adopted by the Meeting of the Parties at its second session (September 2002, Bonn, Germany) by Resolution 2.7. According to Resolution 2.6, operational paragraph 1 (c), 'The Standing Committee shall oversee, on behalf of the Meeting of the Parties, the development and execution of the Secretariat's budget as derived from the Trust Fund and other sources, and also all aspects of fund-raising undertaken by the Secretariat in order to carry out specific functions authorised by the Meeting of the Parties'.

In this specific document the Secretariat reports on the financial closure of 2003, on the current situation regarding expenditures and on annual and voluntary contributions of Parties to the AEWA Trust for 2004 (up to 30th September).

ACTIONS REQUESTED

The Standing Committee is requested to review the information given in this report and to provide guidance and advice to the Secretariat on administrative and financial matters as preparation for MOP3.

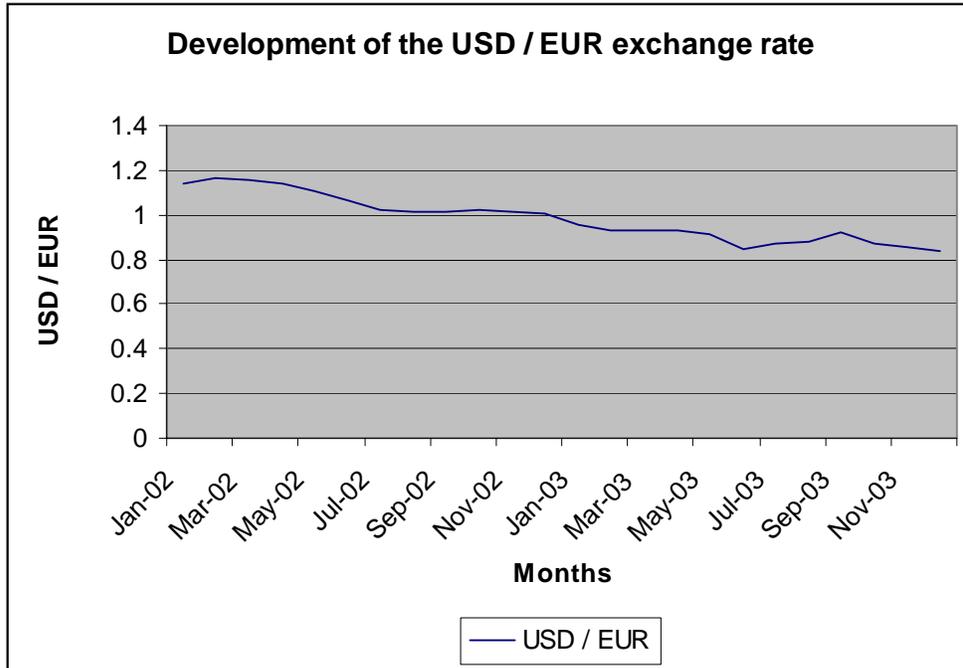
FINANCIAL OVERVIEW / OVERVIEW OVER INCOME AND EXPENDITURE OF ANNUAL CONTRIBUTIONS

Year 2003

From the previous triennium 2000-2002, US \$ 169,254 (US \$ 149,782 for direct project costs and US \$ 19,472 for programme support costs) remained unspent and were carried forward into 2003 with the approval of the Chairman of the Technical Committee (at the request of the Secretariat).

Annex 1 shows the actual expenditures incurred by AEWA in 2003. The excess of expenditure over income of US \$ 137,056 is linked to the fact that the savings of the previous triennium (US \$ 169,254) mentioned above were carried forward. This carry-forward of unused funds does not constitute an income in 2003. The income of US \$ 408,897 results entirely from pledged contributions by Contracting Parties (US\$ 394,429) and by New Parties (US \$ 14,468). Furthermore, as per the decision of MOP 2, the Parties authorized an additional draw-down from the reserve of US \$ 50,000 to reduce contributions and thus approved an excess of expenditures over income of US \$ 50,000. In all, US \$ 55,894 of the allocated funds (comprising the MOP-approved budget, the contributions pledged by New Parties and the carry-forward of savings from the previous triennium into 2003) remained unspent in 2003 and were, with the approval of the Standing Committee, transferred into 2004.

In general, most budget lines came under pressure in 2003 due to adverse effects of the EUR / \$ exchange rate. Compared to 2002, the US \$ lost 16% of its purchasing power to the EUR in 2003 (on average), as the following graph shows:



The development of the USD / EUR exchange rate was also one of the main reasons that salaries were about US \$ 38,000 higher than originally budgeted. Furthermore, the education grant for the Executive Secretary for three years (2000-2002) had to be borne out of the 2003 budget since this issue took a long time to be settled and an agreement could not be reached before.

OVERVIEW OF INCOME/ EXPENDITURE VOLUNTARY CONTRIBUTIONS

Again, the Secretariat received counterpart contributions to implement the International Implementation Priorities for 2003-2007 for which the Secretariat is very grateful. Annex 2 gives an overview over income and expenditure of voluntary counterpart contributions in 2003 and the donor countries. All funds received in 2003 could be expended or carried forward.

FINANCIAL OVERVIEW 2004

OVERVIEW OF EXPENDITURE OF REGULAR BUDGET AND VOLUNTARY CONTRIBUTIONS

In the financial overview for 2004, as attached hereto as Annex 3, information can be found on the expenditures regarding the regular budget as well as the voluntary counterpart contributions till 30 September 2004.

The first part of the table deals with the regular budget as approved by MOP2 (before the 13% programme support cost). The column headed 'Approved' shows the amount actually approved by MOP2 for that specific budget line. Adjacent to this, a column has been inserted headed 'Allocated'. This column comprises the MOP2-approved budget, the pledges from New Parties as well as the carry-

forward from 2003 with which the leftover (in total US \$ 55,894 of which US \$ 49,464 are direct project costs and US \$ 6,430 programme support costs) was transferred to the corresponding budget lines for 2004. This was done at the request of the Secretariat and upon approval by the Standing Committee.

For 2004, the Secretariat expects shortfalls in the following budget lines (BL):

- a) 1101 Executive Secretary;
- b) 1301 Administrative Assistant;
- c) 1202 French Translators;
- d) 1601 Travel on official business;
- e) 2206 Communication Strategy phase 1;
- f) 2208 Publication of Wader Atlas;
- g) 2218 Global Flyway Conference;
- h) 3302 Meeting of the Technical Committee;
- i) 5302 Postage and miscellaneous.

In general, parts of the overspending can be explained by the continuing trend of the dollar losing its relative purchasing power to the euro. Compared to 2003, the exchange rate of the dollar went down by 9 % (on average) by September 2004. In addition, the following reasons can be given for the (estimated) overspendings in 2004:

Ad a): Especially due to the exchange rate development, post adjustment¹ has increased considerably as compared to the time when the budget was set-up, namely from 12 % in 2002 to 40 % in 2004. Furthermore, the Executive Secretary, as an internationally recruited Professional Staff Member, is entitled to an education grant. In total, there is an estimated deficit in this budget line of US \$ 45,000.

Ad b) The locally recruited staff are paid in Euro and thus also affected by the development of the USD / EUR exchange rate. An overspending of US \$ 8,000 is estimated for the salary of the Administrative Assistant for 2004.

Ad c) In 2004, three contracts for translating the documents concerning the Meeting of the Technical Committee and the Standing Committee were concluded for 40,000 words each. From past experience, the amount of words for the contracts had to be increased to cover the expected translation volume of the official documents, which explains the small current deficit. However, the actual costs will not be known until the end of the year when the contracts are closed. The Secretariat is trying to reduce expenditures for translations and hopes to avoid overspending for the translation budget lines as a whole.

Ad d) Especially due to higher airfares, the Secretariat expects an overspending of approximately US \$ 10,000 by the end of 2004.

Ad e-g) Work for the Wader Atlas and the Global Flyway Conference were contracted out, although not foreseen at MOP2. At a later stage, the Secretariat will come up with a proposal to re-allocate unspent funds to cover this deficit.

Ad h) Parts of the costs for sponsored delegates for the Technical Committee were covered by counterpart contributions. Despite those, an overspending of US \$ 7,356 remains due to increased costs per delegate which is mostly due to the fact that the delegates were also funded to attend the Flyway Conference taking place immediately subsequent to the Meeting of the Technical Committee.

Ad i) The current deficit in these budget lines relates to advance payments made to UNV for postage. However, past experience gives rise to the expectation that the actual payment will be considerably lower and will be covered in total by the current budget allocation. As the Secretariat tries to increasingly use electronic transmission devices (especially e-mail) to decrease postage costs, there might even be a small leftover in this budget line.

¹ The Post Adjustment System was designed to equalize the purchasing power of United Nations salaries for professionals and higher categories taking into account the cost-of-living differences between the base city of the system (New York) and other duty stations. It is calculated as a percentage on the base salary.

For 2004, an amount of US \$ 581,964 in total is allocated as regular budget (before the 13 % programme support costs). It comprises the MOP-approved budget for 2004 of US \$ 427,500 as well as the income from pledged contributions from New Countries and the carry-forward from unspent funds from 2003 into 2004. On the 30th September 2004, a total amount of US \$ 433,331 had been committed or already paid. This means that from the total budget allocated, 74 % had been spent/committed.

The Secretariat expects that, in coming months, most of the remaining funds still available could be spent and possibly, there might be an excess of expenditure over income (overspending) of about US \$ 55,000 due to higher salary costs for the Executive Secretary and the Administrative Assistant. Those would have to be drawn down from the trust fund. The trust fund balance currently amounts to US \$ 420,359. The Secretariat plans on covering the other (estimated) deficits on certain budget lines (as described above) through savings on other budget lines.

OVERVIEW INCOME THROUGH ANNUAL CONTRIBUTIONS/ VOLUNTARY CONTRIBUTIONS

A statement of the annual contributions received for the AEWA Trust Fund can be found in Annex 4. By the end of September 2004, 21 out of 47 Parties had already paid their contributions in full. In total, US \$ 197,690 for 2004 and prior years was still outstanding. Out of this, US \$ 186,750 (or 94 %) is due from three Parties with rather significant contributions mainly from 2004. The contributions in arrears are neglectable. Both UNON and the Agreement's Secretariat are sending out regular reminders to Contracting Parties that have not paid their dues.

So far, AEWA has received voluntary contributions of US \$ 116,216 for 2004 including programme support costs from the following countries:

- Germany (EUR 25,600)
- United Kingdom (GBP 44,000)

In addition to the voluntary contributions received in 2004, an amount of US \$ 67,864 (US \$ 60,057 direct project costs and US \$ 7,807 programme support costs) was carried forward into 2004. As a consequence the column allocated funds in Annex 3 states US \$ 162,903 (without programme support costs). The counterpart contributions are being used for the Implementation of the International Implementation Priorities for AEWA 2003-2007 and / or other activities of the Agreement's Secretariat. They are extremely important to support the implementation of the Agreement.

ANNEX 1:

GENERAL TRUST FUND FOR THE CONSERVATION OF AFRICAN-EUROASIAN WATERBIRDS AGREEMENT (AEWA)		
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVE AND FUND BALANCE FOR THE TRIENNIUM 2003-2005 (in USD)		
	INCOME	2003
	Voluntary contributions*	408.897
	Interest income	16.257
	Miscellaneous income	(499)
	TOTAL INCOME	424.655
	EXPENDITURE	
	Staff and other personnel costs	
	Executive secretary	148.138
	Secretary	50.888
	Subtotal- staff costs	199.026
	Contractual services	177.555
	Travel	
	Secretariat staff	26.642
	Subtotal-travel	26.642
	Operating expenses	
	Meeting of Standing Committee	25.251
	Meeting of the Technical Committee	17.834
	Maintenance of photocopier/fax	912
	Document production	16.871
	Information material	11.754
	Telephone & fax	3.017
	Postage & miscellaneous	9.130
	Other	5.520
	Subtotal- operating expenses	90.288
	Acquisitions	
	Miscellaneous offices supplies	1.281
	Office equipment	2.748
	Subtotal- acquisitions	4.029
	Other expenditures-exchange losses	-
	Programme support costs	64.171
	TOTAL EXPENDITURE	561.711
	EXCESS OF INCOME OVER EXPENDITURE	(137.056)
	Provisional savings on or cancellation of prior periods' obligations	1.194
	FUND BALANCE AT THE BEGINNING OF THE PERIOD	526.305
	FUND BALANCE AT THE END OF THE PERIOD	390.443

*Unpaid Pledges

17.336

Unpaid pledges reflected are cumulative figures. They include unpaid pledges for the respective year as well as those for prior periods.

ANNEX 2:

AGREEMENT ON THE CONSERVATION OF AFRICAN-EURASIAN MIGRATORY WATERBIRD (AEWA)	
OVERVIEW OF VOLUNTARY COUNTERPART CONTRIBUTIONS	
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVE AND FUND BALANCE FOR 2003	
INCOME	2003
Voluntary contributions	180.158
Interest income	8.449
TOTAL INCOME	188.607
EXPENDITURE	
Contractual services	166.917
Programme support costs	21.699
TOTAL EXPENDITURE	188.616
EXCESS/ (SHORTFALL) OF INCOME OVER EXPENDITURE	-9
Prior year adjustment*	0
Provisional savings on or cancellation of prior period obligations	0
FUND BALANCE AT THE BEGINNING OF THE PERIOD	120.632
FUND BALANCE AT THE END OF THE PERIOD	120.623

Contributions by country:	2003
France	89.057
Germany	28.530
Switzerland	18.122
United Kingdom	44.449
Total	180.158

ANNEX 3:

AGREEMENT ON THE CONSERVATION OF AFRICAN-EURASIAN MIGRATORY WATERBIRDS

Overview of Expenditures till 30 September 2004

REGULAR BUDGET AS APPROVED BY MOP2					VOLUNTARY CONTRIBUTIONS		
BUDGET LINE	APPROVED	ALLOCATED	EXPENDITURES	BALANCE	ALLOCATED	EXPENDITURES	BALANCE
10 Personnel Component							
1101 Executive Secretary	121.000	121.000	111.105	9.895			
1102 Technical Officer	45.000	45.000	16.819	28.181			
1301 Administrative Assistant (G4/ G6)	42.500	42.500	37.844	4.656			
1200 Consultants							
1201 English Translators	7.500	7.500	760	6.740			
1202 French Translators	12.500	12.500	18.197	-5.697			
1203 Arabic/ Russian Translators	2.500	2.500	1.154	1.346			
1204 Report Writers (at MOP and TC)	0	0	0	0			
1205 Interpreters (at MOP and TC)	12.500	12.500	0	12.500			
1220 Consultancies for MOP	25.000	41.107	9.601	31.506			
1221 Consultancies to develop Information materials	15.000	15.000	12.376	2.624			
1222 Consultancies regarding research/ surveys.	0	25.000	25.205	-205			
1600 Travel on official business							
1601 General	35.000	35.000	34.477	523	6.438	6.439	-1
1602 Travel of Staff to the MOP	0	0	0	0			
1603 Travel of unspecified experts	5.000	5.000	933	4.067			
1999 Component Total	323.500	364.607	268.471	96.136	6.438	6.439	-1

20 Subcontract Component							
2200 Subcontract component							
2201 Organization of MOP	0	0	0	0			
2202 Projects (support to implementation of GEF projects)	0	0	0	0			
2203 Development of International Species Action Plan	0	0	0	0			
2204 International Waterfowl	0	0	0	0			
2205 Workshop Leadshot (2003)	0	0	0	0	22.124	3.128	18.996
2206 Communication Strategy 1 phase	0	11	953	-942	21.195		21.195
2207 Workshop Ferruginous Duck	0	0		0	8.082		8.082
2208 Publication of Wader Atlas	0	619	18.552	-17.933	866		866
2209 Analysis of ringing recoveries	0	0	0	0			0
2210 Waterbird ringing schemes in Africa	0	0	0	0			0
2211 African Waterbird Census	0	0	0	0	813		813
2212 Marine Fisheries	0	0	0	0	6.623		6.623
2213 Exchange of know how traditional approaches	0	0		0			0
2214 Invasive species	0	0		0			0
2215 Colonial Waterbirds	0	9.828	0	9.828			0
2216 Development of DVD	0	0	0	0	43.145	14.967	28.178
2217 Bald Ibis International Action Plan	0	0	0	0	0	0	0
2218 Global Flyway Conference	0	584	15.000	-14.416			0
2219 Development of Species Action Plan	0	30.000	30.000	0			0
2220 Brent Goose Model	0	0	0	0	34.372		34.372
2221 Flyway Population Catalogue	0	0	0	0	8.593	0	8.593
2999 Component Total	0	41.042	64.505	-23.463	145.813	18.095	127.718
30 Training and Meetings Component							
3201 Training of Staff	3.000	4.391		4.391			0
3301 Meetings of the Parties (30 part. x 3 days)	0	0		0			0
3302 Meeting of the Technical Committee (15 part x 2 days)	30.000	35.406	42.762	-7.356	4.070	4.070	0
3303 Meetings of the Standing Committee (6 part x 1 day)	15.000	15.000	-277	15.277			0
3303 Regional Meetings	0	30.000		30.000			0
							0
3999 Component Total	48.000	84.797	42.485	42.312	4.070	4.070	0
40 Equipment and Premises Component							
4101 Miscellaneous office supplies	2.500	3.719	3.664	55			
4201 Office equipment	5.000	7.826	7.808	18			

4301 Rent and maintenance costs	0	0	0	0			
4999 Component Total	7.500	11.545	11.472	73			
50 Miscellaneous Component							
5101 Operation/maintenance of computers	1.000	2.945	1.817	1.128			
5102 Operation/maintenance of photocopiers	500	500	1.134	-634			
5103 Operation/ maintenance -others	500	1.088	0	1.088			
5201 Document production (external)	15.000	15.000	654	14.346			
5202 Information material	15.000	35.000	24.264	10.736	6.582	14.359	-7.777
5203 Reference material	500	1.150	89	1.061			
5301 Telephone, Fax	2.500	3.642	1.799	1.843			
5302 Postage and miscellaneous	10.000	11.018	16.179	-5.161			
5303 Bank charges	1.000	1.340	365	975			
5400 hospitality	2.500	8.290	97	8.193			
5999 Component Total	48.500	79.973	46.398	33.575	6.582	14.359	-7.777
TOTAL	427.500	581.964	433.331	148.633	162.903	42.963	119.940

THE GENERAL TRUST FUND FOR THE AFRICAN-EURASIAN WATERBIRDS AGREEMENT (AW)
As at 30 September 2004

ANNEX 4

COUNTRIES	Unpaid Pledges as at 31.12.03	Adjustments for prior years	Pledges for 2004	Collections in 2004 for prior years	Collections in 2004 for 2004 & Future Yrs	Unpaid pledges for prior years	Unpaid pledges for 2004	Unpaid pledges for prior years & 2004
Albania	0		100		243	0	-143	-143
Benin	169		100	169	76	-0	24	24
Bulgaria	0		329		305	0	24	24
Congo	170		100			170	100	270
Croatia	0		987		987	0	0	0
Denmark	0		18.958		18.958	0	0	0
Djibouti	0		100			0	100	100
Egypt	1.982		2.050	1.982		0	2.050	2.050
Equatorial Guinea	100		100			100	100	200
Finland	0		13.212		13.212	0	0	0
France	7.231		89.777			7.231	89.777	97.008
Gambia	165		100			165	100	265
Georgia	331		127			331	127	458
Germany, F.R.	0		89.777		89.777	0	0	0
Guinea	100		100			100	100	200
Hungary	0		2.997		2.997	0	0	0
Israel	-13.000		10.504			-13.000	10.504	-2.496
Ireland	2.841		7.055	2.841	7.055	0	0	0
Jordan	447		202	447	593	0	-391	-391
Kenya	196		202	196	202	0	0	0
Lebanon	334		304			334	304	638
Luxembourg	152		1.888	152	1.888	0	0	0
Macedonia	0		152			0	152	152
Mali	271		100			271	100	371
Mauritius	-796		278			-796	278	-518
Moldova	0		100		136	0	-36	-36
Monaco	-297		101			-297	101	-196
Netherlands	40		43.990	40	43.990	0	0	0
Niger	275		100			275	100	375
Nigeria			388			0	388	388
Portugal	0		5.297			0	5.297	5.297
Romania	0		1.468			0	1.468	1.468
Senegal	98		127			98	127	225
Slovak	0		1.088		1.088	0	0	0
Slovenia	0		1.927		5.651	0	-3.724	-3.724
South Africa	0		10.327		10.327	0	0	0
Spain	0		63.753			0	63.753	63.753

THE GENERAL TRUST FUND FOR THE AFRICAN-EURASIAN WATERBIRDS AGREEMENT (AW)
As at 30 September 2004

COUNTRIES	Unpaid Pledges as at 31.12.03	Adjustments for prior years	Pledges for 2004	Collections in 2004 for prior years	Collections in 2004 for 2004 & Future Yrs	Unpaid pledges for prior years	Unpaid pledges for 2004	Unpaid pledges for prior years & 2004
Sudan	147		152			147	152	299
Sweden	0		25.989			0	25.989	25.989
Switzerland	0		32.264		32.264	0	0	0
Syria	773		1.920			773	1.920	2.693
Togo	97		100			97	100	197
Uganda	120		101			120	101	221
Ukraine	1.297		1.341			1.297	1.341	2.638
U.K.	0		89.777		89.777	0	0	0
United Rep. of Tanzania	-311		101			-311	101	-210
Uzbekistan			101			0	101	101
Total	2.932	0	520.111	5.827	319.526	-2.895	200.585	197.690