



Second Meeting of the Signatories  
San José, Costa Rica, 15-19 February 2016  
Agenda Item 10

## REPORT ON THE IMPLEMENTATION OF THE BUDGET FOR THE TRIENNIUM 2013-2015

*as of 15 December 2015*

*(Prepared by the Secretariat)*

### Executive summary

The overall budget for the triennium was €1,145,866<sup>1</sup>. However, income to the Trust Fund during the triennium amounted to only US\$645,752<sup>2</sup> (equivalent to €590,537). Savings from previous years of €216,895 were transferred to the Trust Fund as well. The Secretariat was able to maintain total expenditure during the triennium at €742,181<sup>3</sup> (of which €492,551 was taken from the Trust Fund and an additional €249,629 from external resources).

The income received from Signatories during the triennium has failed to meet the approved budget, with a shortfall of approximately 50 per cent. As a result, the Secretariat has kept expenditure to an absolute minimum and raised external resources when possible.

Taking into account the need to cover staff costs from the Trust Fund from January 2015 onwards, and the significant cost of MOS2, the Secretariat was forced to adopt this precautionary approach in line with paragraph 6 of the Trust Fund's Terms of Reference.

### Introduction

1. The present report provides an overview of the performance of the CMS Sharks MOU budget for the triennium 2013-2015. The report is in line with the Terms of Reference for the Administration of the Trust Fund for the Memorandum of Understanding on the Conservation of Migratory Sharks, paragraph 12, which requests the Secretariat to submit budget estimates to the Meeting of the Signatories covering the income and expenditure for the three calendar years constituting the financial period.

2. Figures for the year 2015 were estimated based on actual costs up to November 2015 and projected costs of the First Meeting of the Advisory Committee (AC1) and the Second

<sup>1</sup> Excluding in-kind contributions of €186,501 from UNEP/CMS.

<sup>2</sup> Including a contribution of €15,000 from Monaco in 2015, which was earmarked for an extra-budgetary conservation project. An additional €60,000 was requested from the European Union for the organization of MOS2, but had not been received at the time of finalizing this report.

<sup>3</sup> Projected costs of AC1 and MOS2 included.

Meeting of the Signatories (MOS2), which were postponed to 2016. An updated report on expenditure for 2015 will be submitted to Signatories after closure of the UNEP accounts in 2016.

### **Status of Contributions**

3. For the 2013-2015 triennium, Signatories to the Sharks MOU approved a budget of €1,145,866 which was to be funded from voluntary contributions. An additional in-kind contribution of €186,501 in the form of staff time was to be provided by the CMS Secretariat.

4. The status of contributions to the CMS Trust Fund for voluntary contributions as of 15 December 2015 is provided in Annex 1.

5. Actual voluntary contributions from Signatories during the triennium amounted to US\$646,330. This figure is reported in US Dollars as all incoming contributions are automatically converted to dollars at the time the funds reach the account. Applying the current exchange rate of €0.91: US\$1 for the whole amount, this would result in an equivalent of €588,160). An expected contribution from the European Union of €60,000 to support the organization of the present meeting had not reached the UNEP account by the time of finalizing this report and is hence not included. A contribution from Monaco of €15,000 in 2015 was earmarked for an extra-budgetary conservation project and a contribution from Germany of €25,000 for the IISD reporting service at MOS2.

6. As the aforementioned figures clearly show, voluntary contributions, provided during 2013-2015, have reached around 50 per cent of the approved budget in 2013-2015. The cumulative shortfall in voluntary contributions versus the budget was approximately €550,000.

7. In the light of the voluntary nature of Signatory contributions to the Trust Fund and the sustained lack of incoming voluntary contributions, the Secretariat adopted a conservative approach vis-à-vis expenditure of Trust Fund resources with a view to ensuring sufficient funds for the coming years to staff the Secretariat, to build up a reserve (15 per cent of the annual budget) and to organize MOS2 as well as AC1. Funds from other sources<sup>4</sup>, secured by the Secretariat prior to the adoption of the current budget at the First Meeting of the Signatories, were therefore utilized to cover many of the expenses during the triennium.

8. The Secretariat has received €136,530 earmarked by the donors for extra-budgetary conservation projects, of which €40,000 were given to the Trust Fund and €96,530<sup>5</sup> to the CMS Trust Fund. An overview is presented in Annex 2.

9. It should be noted at this point, that fundraising activities undertaken by the Secretariat, in order to cover costs of the budget represent a significant workload for the Secretariat, as individual funding agreements must be signed with the donors, which have to be developed, managed and which require extra reporting on implementation and expenditure. In this process, additional support from several staff members within the CMS Family, namely the Fundraising Officer, administrative and finance unit and the management, is required.

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4 Voluntary contributions from the German Government (salary P2 officer of € 170,381 from Jan 2013 until Dec 2014) and the European Union (€72,775 in 2013 to cover budgetary and extra budgetary costs).

5 Voluntary contributions from donors were provided to the CMS Trust Fund instead of the Sharks Trust Fund.

## **Budget Implementation:**

### **Secretariat Staff**

10. As indicated in Annex 2, as of 31 December 2015, estimated expenditure from the Trust Fund on approved staff lines for the triennium amounted to €139,820 against a budget of €571,041. The duties of the P3 officer were implemented by a P2 officer, whose position was funded through extra voluntary contributions from the German Government during 2013 and 2014 and from the Trust Fund in 2015. Consultants were hired against the funds for the post of the G5 in times of peak workload throughout the triennium. The overall cost to the Secretariat for staff and other personnel was €310,201. The over-expenditure of German voluntary contributions in 2013 due to a payroll error was partly charged to the Sharks MOU Trust Fund in 2014 (€2,958). Under expenditure against the budget to the Trust Fund on these lines amounted to €260,840 during the triennium.

11. It is noteworthy at this point, that staff costs, which represent almost half of the agreed budget, will have to be covered entirely by the Trust Fund during the next triennium. In this context, it should be mentioned as well, that in accordance with paragraph 6, staff can only be hired if the costs are covered by the necessary income.

### **Secretariat Activities**

12. Expenditure during the triennium on activities as indicated in the table below was to a high degree covered by external resources provided by an EC-funded<sup>6</sup> project and to a lesser extent by the CMS core budget. MOS1 provided a budget for secretariat activities of €206,500 for the triennium. Overall expenditure from the Trust Fund amounted to €51,636. Under-expenditure against the budget to the Trust Fund on these lines amounted to €123,993.

13. For a detailed description of activities please refer to Doc.7.1 “Report of the Secretariat.

### **Servicing Meetings of Governing Bodies**

14. As MOS2 and AC1 were postponed to 2016, costs of the meeting will have to be covered in 2016. However, estimated costs of both meetings have been included in this report. Overall estimated costs of both meetings amount to €235,553, almost entirely covered by the Trust Fund. This represents an over-expenditure of €41,053 on these budget lines. The latter is caused by higher than expected costs for interpretation, and travel support for participants at both meetings. Travel costs for delegates increased, because an increase of Signatories during the triennium and therefore also a higher number of delegates that are eligible for funding. Furthermore, additional experts were invited by the AC to participate in AC1.

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<sup>6</sup> European Commission through the ENRTP Strategic Cooperation Agreement with UNEP. ENRTP stands for Thematic Programme for Environment and Sustainable Management of Natural Resources including Energy. The project which concluded in April 2014, was entitled “Development of shark conservation measures in the context of the CMS MOU on migratory sharks”. These project funds had to be kept separate from the Trust Fund.

## **Operating Costs**

15. The operating costs amounted to €28,536 against an approved budget of €42,000. Of the total expenditure in this category, €9,036 was charged to the Sharks MOU Trust Fund and, in line with the Secretariat's decision to build up a reserve to cover future costs for staff and MOS2, €19,500 were covered by the core budget of the CMS Secretariat. Under-expenditure against the budget to the Trust Fund on these lines amounted to €13,464.

## **In-kind contributions**

16. As agreed by MOS1, the CMS Secretariat contributed in kind to the coordination of the MOU through providing staff time.

## **Extra-budgetary Activities**

17. In line with paragraph 19 in the Terms of Reference for the Trust Fund, contributions were accepted to implement the below mentioned extra budgetary activities as requested by the particular donor and in consistency with the objectives of the MOU. For detailed information please refer to CMS/Sharks/MOS2/Doc.7.1 "Report of the Secretariat".

- Awareness-raising project in Palau (Donor: Monaco)
- Capacity-building project in Northern Africa and the Middle East (Donor: EC)
- Identification Guide "Sharks of the Arabian Seas" (Donor: Germany)
- Connectivity between the populations of the Giant Manta Ray in the Galapagos Islands and coastal Ecuador and Peru (Donor: Monaco)
- Migratory sharks in the Gulf of Gabès: by-catch, ecology and critical habitats (CMS Small Grants Fund)
- IISD reporting service at MOS2 (Donor: Germany)

## **Status of the Trust Fund**

18. Annex 3 provides the most recent IPSAS compliant status report of the Trust Fund provided as by UNON. As of 31 December 2014, the total Trust Funds balance amounted to US\$552,740, equalling €502,993 when applying a €: US\$ exchange rate of 0.91. Based on estimated expenditure from the Trust Fund during 2015, including projected costs of AC1 and MOS2, the expected status of the Trust Fund as of 31 December would be approximately €250,000. These savings would be available to cover costs of the next triennium in addition to voluntary contributions, apart from a reserve of 15 per cent of the agreed annual budget.

## **Format for Expenditure Reports under Umoja**

19. As of May 2015, UNEP has moved to a new Enterprise and Resource Planning (ERP) system, namely Umoja which has established the following new cost categories to manage expenditures:

- Staff and Other Personnel Costs
- Travel
- Contractual Services
- Operating and Other Direct Costs
- Equipment Vehicles and Furniture
- Supplies, Commodities and Materials

- Grants Out
- UN-PSC (Programme Support Costs)
- Transfers and Grants Issued to Implementing Partners (IP)

As these categories will be applied in future reports on expenditure from the Trust Fund, an overview is given in Annex 4 on the allocation of budget lines, as proposed in Doc.10.1. to the new cost categories.

**Action requested:**

The Meeting of the Signatories is invited to:

- a) Take note of the report on the implementation of the budget.

## Annex 1 – Status of Voluntary Contributions to the CMS Sharks MOU Trust Fund

*(as of 15 December 2015)*

<b>Fiscal Year</b>	<b>Donor</b>	<b>Currency</b>	<b>Amount</b>	<b>Exchange rate</b>	<b>USD Equivalent</b>
<b>2013</b>					
	Australia	USD	18,214	1.000	18,214
	Monaco	EUR	2,000	0.755	2,649
	Romania	EUR	2,000	0.755	2,649
	South Africa	EUR	4,772	0.767	6,222
	United Kingdom	USD	15,207	1.000	15,207
	USA	USD	75,000	1.000	75,000
<b>Sub-total 2013</b>					<b>119,941</b>
<b>2014</b>					
	Australia	USD	18,482	1.000	18,482
	European Union	EUR	9,549	0.759	12,581
	Netherlands (for 2013 and 2014)	EUR	45,980	0.759	60,580
	South Africa	EUR	4,772	0.759	6,287
	United Kingdom	EUR	36,092	0.736	49,039
	USA	USD	100,000	1.000	100,000
<b>Sub-total 2014</b>					<b>246,969</b>
<b>2015</b>					
	Australia	USD	18,482	1.000	18,482
	Chile	EUR	8,724	0.904	9,650
	European Union	EUR	9,549	0.904	10,563
	Germany	EUR	15,368	0.891	17,248
	Germany	EUR	80,117	0.912	87,848
	Monaco	EUR	15,000	0.891	16,835
	Netherlands	EUR	22,990	0.904	25,431
	South Africa	EUR	4,772	0.904	5,279
	Tuvalu	EUR	5,988	0.912	6,566
	USA	USD	100,000	1.000	100,000
<b>Sub-total 2015</b>					<b>279,420</b>
<b>Total Triennium 2013-2015</b>					<b>646,330</b>

## Annex 2 – Implementation of the CMS Sharks MOU Budget for 2013-2015

*(estimated as of 31 December 2015; in EURO)*

	2013		2014		2015		Triennium 2013-2015					
	Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Total Budget	Expenditure from the Trust Fund	Expenditure from external sources	Total Expenditure	Total Over-/Underexpenditure	
<b>Secretariat Staff</b>												
1	Programme Officer, P-3	141,627	0	146,006	3,944	150,387	85,000	<b>438,020</b>	88,944	170,381	259,325	178,695
2	Administrative Assistant, G-5 (50%)	43,010	13,001	44,341	12,875	45,670	25,000	<b>133,021</b>	50,876	0	50,876	82,145
	<b>Subtotal</b>	<b>184,637</b>	<b>13,001</b>	<b>190,347</b>	<b>16,819</b>	<b>196,057</b>	<b>110,000</b>	<b>571,041</b>	<b>139,820</b>	<b>170,381</b>	<b>310,201</b>	<b>260,840</b>
<b>Activities of the Secretariat</b>												
3	Travel on official business	15,000	0	15,000	0	15,000	30,000	<b>45,000</b>	30,000	16,781	46,781	-1,781
4	Translation (documents, publications etc.), English, French and Spanish	20,000	0	20,000	0	30,000	20,000	<b>70,000</b>	20,000	4,986	24,986	45,014
5	Analytical studies, scientific assessments, development of guidelines etc.	15,000	0	15,000	0	15,000	0	<b>45,000</b>	0	0	0	45,000
6	Printing of technical/information materials, website production etc. etc.	15,000	0	15,000	1,636	15,000	0	<b>45,000</b>	1,636	9,104	10,740	34,260
7	Hospitality	500	0	500	0	500	0	<b>1,500</b>	0	0	0	1,500
	<b>Subtotal</b>	<b>65,500</b>	<b>0</b>	<b>65,500</b>	<b>1,636</b>	<b>75,500</b>	<b>50,000</b>	<b>206,500</b>	<b>51,636</b>	<b>30,871</b>	<b>82,507</b>	<b>123,993</b>

		2013		2014		2015		Triennium 2013-2015				
		Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Total Budget	Expenditure from the Trust Fund	Expenditure from external sources	Total Expenditure	Total Over-/Underexpenditure
<b>Meetings of Governing Bodies</b>												
<i>Second Meeting of the Signatories (MOS)</i>												
8	Logistical arrangements (venue, technical equipment, interpretation booths, catering)	0	0	0	0	30,000	30,000	30,000	30,000	0	30,000	0
9	Support for participation of delegates	0	0	0	0	62,500	73,500	62,500	73,500	0	73,500	-11,000
10	Interpretation (English, French and Spanish)	0	0	0	0	30,000	60,000	30,000	60,000	0	60,000	-30,000
11	Report writers	0	0	0	0	5,000	5,000	5,000	5,000	0	5,000	0
12	Development of technical documents for submission to Signatories	0	0	15,000	0	15,000	15,000	30,000	15,000	0	15,000	15,000
<i>Meeting of the Advisory Committee (AC)</i>												
13	Online Workspace for the Advisory Committee	4,500	0	1,500	194	1,500	200	7,500	394	159	553	6,947
14	Logistical arrangements (venue, technical equipment, interpretation booths, catering)	0	0	0	0	7,500	7,500	7,500	7,500	0	7,500	0
15	Support for participation of delegates	0	0	0	0	20,000	42,000	20,000	42,000	0	42,000	-22,000
16	Report Writers	0	0	0	0	2,000	2,000	2,000	2,000	0	2,000	0
	<b>Subtotal</b>	<b>4,500</b>	<b>0</b>	<b>16,500</b>	<b>194</b>	<b>173,500</b>	<b>235,200</b>	<b>194,500</b>	<b>235,394</b>	<b>159</b>	<b>235,553</b>	<b>-41,053</b>



	2013		2014		2015		Triennium 2013-2015					
	Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Total Budget	Expenditure from the Trust Fund	Expenditure from external sources	Total Expenditure	Total Over-/Underexpenditure	
<b>Operating Costs – Equipment, Premises etc.</b>												
17	Miscellaneous office supplies	2,500	0	2,500	0	2,500	0	7,500	0	7,500	7,500	0
18	Office equipment, furniture etc.	2,500	1,867	2,500	0	2,500	0	7,500	1,867	0	1,867	5,633
19	Information and Communication Technology (ICT) Services	5,000	2,662	5,000	2,007	5,000	2,500	15,000	7,169	0	7,169	7,831
20	Maintenance of computers/photocopiers	1,500	0	1,500	0	1,500	0	4,500	0	4,500	4,500	0
21	Communications (Telephone, fax, postage etc.)	2,500	0	2,500	0	2,500	0	7,500	0	7,500	7,500	0
	<b>Subtotal</b>	<b>14,000</b>	<b>4,529</b>	<b>14,000</b>	<b>2,007</b>	<b>14,000</b>	<b>2,500</b>	<b>42,000</b>	<b>9,036</b>	<b>19,500</b>	<b>28,536</b>	<b>13,464</b>
	<b>Total</b>	<b>268,637</b>	<b>17,530</b>	<b>286,347</b>	<b>20,656</b>	<b>459,057</b>	<b>397,700</b>	<b>1,014,041</b>	<b>435,886</b>	<b>220,911</b>	<b>656,797</b>	<b>357,244</b>
22	Programme Support Costs (13%)	34,923	2,279	37,225	2,685	59,678	59,678	131,826	56,665	28,718	85,384	46,442
	<b>Grand Total</b>	<b>303,560</b>	<b>19,809</b>	<b>323,572</b>	<b>23,341</b>	<b>518,735</b>	<b>457,378</b>	<b>1,145,867</b>	<b>492,551</b>	<b>249,629</b>	<b>742,181</b>	<b>403,686</b>
<b>In-kind Contributions</b>												
23	CMS: Executive Secretary, D-1(2%)	4,316		4,449		4,583		13,348				
24	CMS: Deputy Executive Secretary, P-5 (3%)	5,842		6,023		6,203		18,068				
25	CMS: Agreements Officer, P-4 (10%)	16,744		17,262		17,780		51,786				
26	Government of Germany: Rent and maintenance costs	12,500		12,500		12,500		37,500				


		2013		2014		2015		Triennium 2013-2015				
		Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Total Budget	Expenditure from the Trust Fund	Expenditure from external sources	Total Expenditure	Total Over-/Underexpenditure
27	Administrative and Finance Management Unit, P-4 (5%); G-6 (5%); 2 x G-5 (5%) <sup>7</sup>	21,275		21,933		22,591		65,799				
<b>Total</b>		<b>60,677</b>		<b>62,167</b>		<b>63,657</b>		<b>186,501</b>				
<b>Extra budgetary activities</b>												
	Awareness-raising Project in Palau (2013; Donor: Monaco)									13,416	13,416	
	Capacity-building Project in Northern Africa and the Middle East (2013/2014; Donor: EU)									46,552	46,552	
	Shark Identification Guide (2014; Donor: Germany)									21,562	21,562	
	Connectivity between the populations of the Giant Manta Ray in the Galapagos Islands and coastal Ecuador and Peru (2015; Donor: Monaco)						15,000		15,000		15,000	
	Migratory sharks in the Gulf of Gabès: by-catch, ecology and critical habitats (2015; CMS Small Grants Fund)									15,000	15,000	

<sup>7</sup> Partly covered by 13% Programme Support Costs

		2013		2014		2015		Triennium 2013-2015				
		Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Budget	Expenditure from the Trust Fund	Total Budget	Expenditure from the Trust Fund	Expenditure from external sources	Total Expenditure	Total Over-/Underexpenditure
	IISD reporting Service for MOS2						25,000		25,000		25,000	
	<b>Total</b>						<b>40,000</b>		<b>40,000</b>	<b>96,530</b>	<b>136,530</b>	

Annex 3: Status of the Trust Fund

(as of 31 December 2014)

Trust Fund to Support the Activities of the Secretariat of the Memorandum of Understanding on the Conservation of Migratory Sharks (Fund code: SMSU)	
I. Statement of Financial Performance for the year ended 31 December 2014 (United States Dollars)	
	Total 2014
Revenue	
Voluntary Contributions	521,977
Investment Revenue	3,493
<b>Total Revenue</b>	<b>525,470</b>
Expenses	
Employer salaries, allowances and benefits	23,006
Grant and other transfers	1,554
Other Operating expenses	5,751
Programme support costs	3,973
<b>Total expenses</b>	<b>33,286</b>
Surplus/(deficit) for the period	492,184
II. Statement of Financial Position as at 31 December 2014 (United States Dollars)	
	Total 2014
Current Assets	
Cash and Cash Equivalents	127,533
Short-term investments	247,516
<b>Total Current Assets</b>	<b>375,049</b>
Non-Current Assets	
Long-term investments	210,348
<b>Total Non-Current Assets</b>	<b>210,348</b>
<b>Total Assets</b>	<b>585,397</b>
Current Liabilities	
Accounts Payable and Accrued Payables	3,810
Other Liabilities	28,647
<b>Total Current Liabilities</b>	<b>32,457</b>
Non-current Liabilities	
<b>Total Liabilities</b>	<b>32,457</b>
<b>Net Assets</b>	<b>552,940</b>
<b>Total Liabilities &amp; Net assets</b>	<b>585,397</b>
III. Statement of Changes in Net Assets for the year ended 31 December 2014 (United States Dollars)	
	Total 2014
Net Assets:	
Accumulated surpluses/ (deficits) - unrestricted	78,878
IPSAS adjustment	(0)
<b>Restated Balance</b>	<b>78,878</b>
Other adjustments	(19,313)
Excess/ (Deficit) of Revenue over expenditure for period	493,384
<b>Total Net Assets</b>	<b>552,940</b>
 Annette Waweru Chief ACCOUNTS SECTION BUDGET AND FINANCIAL MANAGEMENT SERVICE, UNODC	
14/08/2015	

Annex 4: New Format for Expenditure Reports under UMOJA

**No. Commitment Class**

**1 Staff and Other Personnel Costs**

- Programme Officer, P-3
- Administrative Assistant, G-5
- Translation (documents, publications etc.)
- Consultants - Analytical studies, scientific assessments, developments of guideline etc.
- MoS2- Interpretation (English, French & Spanish)
- MoS2- Report writers
- MoS2 - Development of technical documents for submission to signatories
- AC - Report writers
- WG – Report Writer

**2 Travel**

- Sec - Travel on official business
- MOS2 - Support for participation delegates
- AC – Travel on official business
- AC - Support for participation of delegates
- WG – Support for participation of delegates

**3 Contractual Services**

- Printing of technical/information materials, website production etc.
- MOS2 - Logistical arrangements
- AC - Online workspace for the Advisory Committee
- AC - Logistical arrangements
- WG – Logistical Arrangements
- Maintenance of computers / photocopiers
- Staff Training

**4 Operating and Other Direct Costs**

- Information and Communication Technology (ICT) Services
- Communications (telephone, fax, postage etc.)

**5 Equipment Vehicles and Furniture**

- Office equipment, furniture etc

**6 Supplies Commodities and Materials**

- Miscellaneous office supplies

**9 Transfers and Grants Issued to Implementing Partner (IP)**

**7 Grants Out**

**8 UN-PSC**

- 13% Programme Support Costs