



**MEMORANDUM OF UNDERSTANDING
ON THE CONSERVATION OF
MIGRATORY SHARKS**

CMS/Sharks/MOS3/Doc.17.1
29 October 2018
Original: English

3rd Meeting of the Signatories (Sharks MOS3)
Monaco, 10 – 14 December 2018
Agenda Item 17

**REPORT ON THE IMPLEMENTATION OF THE BUDGET
FOR THE TRIENNIUM 2016-2018**

(As of 09 September 2018 / Prepared by the Secretariat)

1. The present report provides an overview of the performance of the CMS Sharks MOU budget for the triennium 2016-2018. An update on the status of voluntary contributions to the Trust Fund of the MOU is contained in [Annex 1](#). An overview of expenditures versus the agreed budget, on extra-budgetary activities and related to the organization of the 2nd Meeting of the Signatories (MOS2) and the 1st Meeting of the Advisory Committee (AC1) is provided in [Annex 2](#).
2. 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.
3. Figures for the year 2018 were estimated based on actual costs up to August 2018 and projected costs of the 3rd Meeting of the Signatories (MOS3) and staff costs.
4. In addition to expenditures in line with the approved budget for 2016-2018, the report also includes expenditures for extra-budgetary activities for which, the Secretariat received earmarked contributions from donors and expenditures that are related to the organization of the 2nd Meeting of the Signatories (MOS2) and the 1st Meeting of the Advisory Committee (AC1), that occurred in 2016 during the current triennium and which were covered through a rephasal from the budget that was agreed for 2015.
5. The overall agreed budget for the triennium was €1,172,747¹. However, income to the Trust Fund received from Signatories during the triennium as voluntary contributions amounted to only €683,719², which equals a shortfall of 42 per cent. As a result, the Secretariat has kept expenditure to an absolute minimum, in line with paragraph 6 of the Trust Fund's Terms of Reference.

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

² Including a contribution of €40,000 from the EU in 2016, which was partially earmarked for and extra-budgetary.

6. The Secretariat was able to maintain total expenditures during the triennium at €1,058,605. However, this amount does also include expenditures related to the organization of MOS2 and AC1 (€261,898), and expenditures for extra-budgetary activities (€37,544), for which the Secretariat received earmarked contributions from donors in previous years.
7. Estimated expenditures versus the agreed budget for the triennium 2016-2018 amounted to €759,163³, which exceeds the actual income only by €75,444.
8. These figures clearly show, that the precautionary approach of the Secretariat to restrict expenditures was fully justified.

Status of Contributions

9. For the 2016-2018 triennium, Signatories to the Sharks MOU approved a budget of €1,172,747 which was to be funded from voluntary contributions. An additional in-kind contribution of € 181,291 in the form of staff time was to be provided by the CMS Secretariat.
10. The status of contributions to the CMS Trust Fund for voluntary contributions as of 09 September 2018 is provided in Annex 1.
11. Actual voluntary contributions from Signatories during the triennium amounted to €683,719 which equals 58 per cent of the approved budget for the triennium. The cumulative shortfall in voluntary contributions versus the budget was €489,028.
12. 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 MOS4.

Budget Implementation:

Secretariat Staff

13. As indicated in Annex 2, by December 2018, estimated expenditure from the Trust Fund on approved staff lines for the triennium will amount to €339,549 against a budget of €437,479.
14. The position of the P2 officer was entirely funded through the Trust Fund. From August 2016 onwards, the German Government has provided an earmarked voluntary contribution to the Trust Fund for this position. This arrangement with the German government will continue until July 2019. Overall estimated costs for the P2 position will amount to €292,861 versus an agreed budget of €318,263.

³ Projected costs of MOS3 included.

15. Consultants were hired utilizing funds for the G5 post in times of peak workload throughout the triennium. The recruitment of the part-time G5 Programme Assistant is underway at the time of writing this document. The position was advertised for an initial period of one year, as is standard practice. The extension of the contract will be subject to availability of the incoming contributions from Signatories. It is expected that the new staff member will report on duty at the end of this year. Additional staff costs were estimated as shown in Annex 2. Overall estimated costs on the budget line for the G5 position will amount to €43,807 versus an agreed budget of €104,216.
16. For staff training €2,881 were spent during the triennium versus an agreed budget of €15,000. Expenditures are expected to increase during the next triennium, given that there will be an additional staff member.

Secretariat Activities

17. MOS2 provided a budget for activities of the Secretariat of €160,000 for the triennium. Overall expenditure from the Trust Fund amounted to €94,970.
18. Expenditures of €44,253 for staff travel include costs for staff travel to AC2 and projected costs for staff travel to MOS3. In this context it should be noted that the government of the Netherlands, which hosted AC2, provided additional funding to cover those costs. Likewise, the government of Monaco has pledged to cover the incremental costs of MOS3, which include inter alia staff travel costs.
19. Significant savings were achieved through keeping costs for translations at a minimum (estimated €38,609) by using online translation tools for day to day communication with Signatories and partners in three languages.
20. Moreover, costs for the preparation of analytical studies, scientific assessments etc. (€12,306) were minimized through developing such documents in-house with support from the Advisory Committee (AC) and the Intersessional Working Group (IWG).
21. No costs occurred for printing of information materials during the triennium as the CMS website was used as the preferred medium for disseminating information.
22. For a detailed description of activities please refer to [CMS/Sharks/MOS3/Doc.7.1](#) "Report of the Secretariat".

Activities of the Advisory Committee & External Experts

23. The Chair of the Advisory Committee (AC) represented the AC at the 2nd Sessional Committee of the CMS Scientific Council and the 12th Conference of the Parties (COP12). In addition, the Chair has been invited to participate at MOS3. Travel costs, including projected costs, amounted to €12,906. This budget line was underspent by €77,094. In light of the income shortfall, the Secretariat chose to be very conservative in sending members to RFMO and other similar meetings. However, if engagement with RFMOs is to be strengthened in line with [CMS/Sharks/MOS3/Doc11.1](#), the full budget would be required. For a detailed description of activities please refer to [CMS/Sharks/MOS3/Doc.7.3](#) "Report of the Advisory Committee".

Servicing Meetings of Governing Bodies

3rd Meeting of the Signatories (MOS3)

24. Estimated costs for organizing and servicing MOS3 to be covered by the Trust Fund, amount to €170,000. This results in savings of €55,000 on these budget lines.
25. The government of Monaco has kindly provided the venue, technical equipment and catering for MOS3. In addition, the host government has covered the incremental costs of the meeting, namely additional travel costs of the Secretariat, report writer and interpreters. However, in the event that a host able to cover such costs had not been found, all funds would likely have been spent.

2nd Meeting of the Advisory Committee (AC2)

26. Costs for organizing and servicing AC2 that were covered by the Trust Fund amounted to €23,388. This resulted in savings of €51,362. Additional costs for the participation of members of the Conservation Working Group at this meeting are reported below.
27. These savings are due to the fact that only one instead of the planned two AC meetings were held during the current triennium.
28. Moreover, the government of the Netherlands provided the venue, technical equipment and catering for AC2. The host government also made an additional voluntary contribution to the Trust Fund to partially cover travel costs of AC members and the Secretariat to the meeting.
29. Other savings were achieved through not using the Online Workspace and by preparing the meeting report in-house

Meetings of Working Groups

30. Overall costs for organizing and servicing Workshops of the CWG, that were covered by the Trust Fund, amounted to €18,188 against an agreed budget of €34,000. This results in savings of €15,812 on these budget lines.
31. The organization of the 1st Workshop of the CWG (CWG1) in 2016 was kindly supported by the World Wide Fund for Nature (WWF), who provided the venue, technical equipment, catering and funding for a number of participants, providing savings of €9,581.
32. Instead of holding a second workshop in 2017 as originally planned, the AC selected members of the CWG to participate at AC2. These costs amounted to €10,768. This joint meeting arrangement saved an additional €6,232.

Operating Costs

33. The operating costs amounted to €12,825 against an approved budget of €16,600. There was an unforeseen increase the CMS family shared costs for Information and Communication Technology (ICT) services, causing the Sharks MOU portion to increase by €2,631. An expected further increase of these costs is already reflected in the proposed new budget for the next triennium. Overall savings on these budget lines amounted to €3,775.

In-kind contributions

34. As agreed by MOS2, the CMS Secretariat contributed staff time to the coordination of the MOU.

Extra-budgetary Expenditures

35. In accordance with paragraph 19 of the TOR of the Trust Fund, Signatories provided additional financial resources for certain extra-budgetary activities. These were also placed in the Trust Fund.
36. During the current triennium financial transaction (expenditures and/or refunds) were made for three such activities, which were already reported to MOS2 as expected expenditures (see [CMS/Sharks/MOS2/Doc.10.2](#)):
- IISD reporting Service for MOS2 (Donor: Germany);
 - Project, entitled “Connectivity between the populations of the Giant Manta Ray in the Galapagos Islands and coastal Ecuador and Peru” (Donor: Monaco);
 - Refund on the project “Awareness-raising in Palau” (Donor: Monaco).
37. Overall expenditures on these budget lines amounted to €37,544.

MOS2/AC1 related costs

38. Expenditures for organizing MOS2 and AC1 in February 2016, which occurred during this triennium amounted to €261,898. This includes costs for staff travel, translations, the development of analytical studies for AC1, logistical arrangements, support for the participation of participants, interpretation, report writers.
39. The estimated expenditures for the organization of both meetings were already reported to MOS2 (see [CMS/Sharks/MOS2/Doc.10.2](#)).

Status of the Trust Fund

40. As of 31 December 2015, the Trust Fund balance was €580,133. Based on actual expenditures from the Trust Fund during the present triennium and projected costs for staff, MOS3 organization and operational costs in 2018, the expected balance of the Trust Fund as of 31 December 2018 would be €205,247.

Table 1: Estimated Trust Fund balance as of 31 December 2018 (in Euro)

No.	Description	Amount EUR
1	Trust Fund balance as at 31 December 2015	580,133
2	Received Contributions 2016-2018	683,719
3	Actual cost of MOS2 and AC1	(261,898)
4	Estimated Expenditure versus the agreed budget for the triennium 2016-2018	(759,163)
5	Expenditures for extra-budgetary activities	(37,544)
6	Estimated Trust Fund balance as at 31 December 2018	205,247

Action requested:

The Meeting is requested to:

- a) Take note of the report on the implementation of the budget;
- b) Provide any guidance to the Secretariat as necessary.

ANNEX 1

**STATUS OF VOLUNTARY CONTRIBUTIONS
TO THE CMS SHARKS MOU TRUST FUND**

(as of 9 September 2018)

Table 1: Contributions received (sorted by year)

Year	Signatory	Date of payment	Contributions received in USD	Converted to EUR *	Contributions received in EUR	Total contributions received in EUR
2016	Tuvalu	18..05			6,062	6,062
	Australia	08.06	14,672	13,249		13,249
	United Kingdom	15.06	21,429	19,350		19,350
	European Union	13.07			10,000	10,000
	Germany	12.08			43,330	43,330
	European Union	27.12			28,000	28,000
2017	Monaco	02.01			10,000	10,000
	Germany	23.01			56,074	56,074
	USA	26.09	100,000	89,100		89,100
	Germany	16.06			50,000	50,000
	European Union	25.08			10,000	10,000
	USA	02.10	100,000	89,100		89,100
	Sweden	17.10	11,109	9,898		9,898
Netherlands	12.10			35,000	35,000	
2018	Germany	17.01			58,195	58,195
	Australia	22.01	15,958	13,26		13,261
	Germany	15.06			50,000	50,000
	European Union	02.07			10,000	10,000
	USA	09.08	100,000	83,100		83,100
Total			363,167	317,058	366,661	683,719

Table 2: Contributions received (sorted by Signatory)

Signatory	Contributions received in EUR			Total
	2016	2017	2018	
Australia	13,249	–	13,261	26,510
European Union	38,000	10,000	10,000	58,000
Germany	43,330	106,074	108,195	257,599
Monaco	–	10,000	–	10,000
Netherlands	–	35,000	–	35,000
Sweden	–	9,898	–	9,898
Tuvalu	6,062	–	–	6,062
United Kingdom	19,350	–	–	19,350
USA	–	178,200	83,100	261,300
			Total	683,719

ANNEX 2

IMPLEMENTATION OF THE CMS SHARKS MOU BUDGET FOR 2016-2018

(as of 9 September 2018 in EURO⁴)

		2016		2017		2018			Triennium 2016-2018	
		Budget	Expenditures	Budget	Expenditures	Budget	Expenditures Jan – Aug	Projected Expenditures Sep-Dec	Total Budget	Total Expenditures Jan 16 - Dec18
Secretariat Staff										
1	Programme Officer, P-2	103,994	90,140	106,074	94,645	108,195	62,520	45,556	318,263	292,861
2	Administrative Assistant, G-5 (50%)	34,053	30,232	34,734	6,576	35,429	1,982	5,018	104,216	43,807
3	Staff training	5,000	2,881	5,000	–	5,000	–	–	15,000	2,881
	Subtotal	143,047	123,252	145,808	101,221	148,624	64,502	50,574	437,479	339,549
Activities of the Secretariat										
4	Staff travel on official business	15,000	8,043	15,000	21,210	15,000	–	15,000	45,000	44,253
5	Translations	10,000	–	15,000	–	30,000	18,609	20,000	55,000	38,609
6	Analytical studies, scientific assessments, development of guidelines etc.	15,000	–	15,000	12,306	15,000	–	–	45,000	12,306
7	Printing of technical/information materials, website production etc. etc.	5,000	–	5,000	(198)	5,000	–	–	15,000	(198)
	Subtotal	45,000	8,043	50,000	33,318	65,000	18,609	35,000	160,000	94,970

4 The table includes actual expenditures that occurred from Jan 2016 to August 2018 and projected expenditures from September 2018 to December 2018.

		2016		2017		2018			Triennium 2016-2018	
		Budget	Expenditures	Budget	Expenditures	Budget	Expenditures Jan – Aug	Projected Expenditures Sep-Dec	Total Budget	Total Expenditures Jan 16 - Dec18
Activities of the Advisory Committee & External Experts										
8	AC and expert travel on official business	30,000	5,517	30,000	2,994	30,000	1,395	3,000	90,000	12,906
	Subtotal	30,000	5,517	30,000	2,994	30,000	1,395	3,000	90,000	12,906
Meetings of Governing Bodies										
Meeting of the Signatories (MOS)										
9	Logistical arrangements (MOS3)	–	–	–	–	30,000	–	5,000	30,000	5,000
10	Support for participation of delegates (MOS3)	–	–	–	–	120,000	12,256	107,744	120,000	120,000
11	Interpretation (MOS3)	–	–	–	–	40,000	–	40,000	40,000	40,000
12	Report writers (MOS3)	–	–	–	–	5,000	–	5,000	5,000	5,000
13	Development of technical documents for submission to Signatories (MOS3)	–	–	15,000	–	15,000	–	–	30,000	–
Meeting of the Advisory Committee (AC)										
14	Online Workspace for the Advisory Committee	250	–	250	–	250	–	–	750	–
15	Logistical arrangements (venue, technical equipment, interpretation booths, catering) (AC2)	–	–	5,000	–	5,000	–	–	10,000	–
16	Support for participation of delegates (AC2)	–	–	30,000	23,388	30,000	–	–	60,000	23,388
17	Report Writers (AC2)	–	–	2,000	–	2,000	–	–	4,000	–
	Subtotal	250	–	52,250	23,388	247,250	12,256	157,744	299,750	193,388

		2016		2017		2018			Triennium 2016-2018	
		Budget	Expenditures	Budget	Expenditures	Budget	Expenditures Jan – Aug	Projected Expenditures Sep-Dec	Total Budget	Total Expenditures Jan 16 - Dec18
Meeting of Working Groups										
18	Logistical arrangements (venue, technical equipment, catering)	5,000	–	5,000	–	–	–	–	10,000	–
19	Support for participation of delegates	10,000	7,419	10,000	10,781	–	(13)	–	20,000	18,188
20	Report Writers	2,000	–	2,000	–	–	–	–	4,000	–
	Subtotal	17,000	7,419	17,000	10,781	–	(13)	–	34,000	18,188
Operating Costs – Equipment, Premises etc.										
21	Miscellaneous Office Supplies	500	–	700	–	700	134	566	1,900	700
22	Office Equipment, furniture etc.	500	–	500	–	500	494	–	1,500	494
23	Information and Communication Technology (ICT) Services	3,000	–	3,000	8,631	3,000	2,629	371	9,000	11,631
24	Maintenance of computers/photocopiers	200	–	200	–	200	–	–	600	–
25	Communications (phone, fax, postage etc.)	1,200	–	1,200	–	1,200	–	–	3,600	–
	Subtotal	5,400	–	5,600	8,631	5,600	3,257	937	16,600	12,825
	Total	240,697	144,232	300,658	180,333	496,474	100,007	247,254	1,037,829	671,826
26	Programme Support Costs (13%)	31,291	18,750	39,086	23,443	64,542	13,001	32,143	134,918	87,337
	Grand Total	271,988	162,982	339,744	203,776	561,016	113,008	279,397	1,172,747	759,163

		2016		2017		2018		Triennium 2016-2018		
		Budget	Expenditures	Budget	Expenditures	Budget	Expenditures Jan – Aug	Projected Expenditures Sep-Dec	Total Budget	Total Expenditures Jan 16 - Dec18
Extra-budgetary Activities										
1	IISD reporting Service for MOS2	22,105	22,105	-	-	-	-	-	22,105	22,105
2	Connectivity between the populations of the Giant Manta Ray in the Galapagos Islands and coastal Ecuador and Peru (Donor: Monaco)	14,887	14,887	-	(926)	-	-	-	14,887	13,961
3	Awareness-raising project in Palau (Donor: Monaco)	-	-	-	-	-	(2,841)	-	-	(2,841)
	Total	36,992	36,991	-	(926)	-	(2,841)	-	36,992	33,225
4	Programme Support Costs (13%)	4,809	4,809	-	(120)	-	(369)	-	4,809	4,319
	Grand Total	41,801	41,800	-	(1,046)	-	(3,210)	-	41,801	37,544

In-kind Contributions										
1	CMS: Executive Secretary, D-1(2%)	4,173		4,449		4,583			13,205	
2	CMS: Deputy Executive Secretary, P-5 (3%)	5,329		6,023		6,203			17,555	
3	CMS: Agreements Officer, P-4 (10%)	15,205		17,262		17,780			50,247	
4	Government of Germany: Rent and maintenance costs	12,500		12,500		12,500			37,500	
5	Services of the Administrative and Finance Management Unit, P-4 (5%); G-6 (5%); 2 x G-5 (5%)	18,260		21,933		22,591			62,784	
	Total	55,467		62,167		63,657			181,291	

Cost of MOS2 and AC1 (funded by a rephasal from the 2015 budget)

	Expenditures 2016	Expenditures 2017	Total Expenditures MOS2
1 Staff travel on official business (MOS2)	10,257	(362)	9,895
2 Translations (MOS2)	33,015	(1,148)	31,867
3 Analytical studies, scientific assessments, development of guidelines etc.	26,423	–	26,423
4 Logistical arrangements (MOS2)	37,337	(201)	37,136
5 Support for participation of delegates (MOS2)	53,025	2,798	55,823
6 Interpretation (MOS2)	46,979	(487)	46,492
7 Report writers (MOS2)	4,745	–	4,745
10 Support for participation of delegates (AC1)	22,326	(2,939)	19,387
Total	234,107	(2,339)	231,768
Programme Support Costs (13%)	30,434	(304)	30,130
Grand Total	264,541	(2,643)	261,898