

**CONVENTION ON
MIGRATORY
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EIGHTH MEETING OF THE
CONFERENCE OF THE PARTIES
Nairobi, 20–25 November 2005
Agenda item 19 (a)

**EXECUTION OF THE BUDGET OF THE UNITED NATIONS ENVIRONMENT
PROGRAMME, CONVENTION ON THE CONSERVATION OF MIGRATORY
SPECIES OF WILD ANIMALS IN THE TRIENNIUM 2003–2005***Note by the Executive Secretary*

1. The attached paper by the CMS Fund Management Officer gives details of the expenditure, both actual and projected, for the current triennium 2003–2005. A more detailed analysis, comparing expenditure against the budget originally approved at the seventh Conference of the Parties, is being circulated separately as an information paper (UNEP/CMS/Inf.8.16).
2. Approximately 57 per cent of CMS expenditure is either made directly in euros or pegged to the \$/€ exchange rate. Since the seventh meeting of the Conference of Parties, in 2002, which set the budget for the current triennium in dollars, the value of the dollar has fallen by 25 per cent against the euro. Our projections for the remainder of 2005 assume that the total devaluation will be 20 per cent. Consequently, we have had to draw down an estimated \$1 million from CMS reserves in order to deliver the programme agreed by Parties at the seventh Conference of the Parties and confirmed at meetings of the Standing Committee in 2003, 2004 and 2005.
3. Although the full effect of the dollar's devaluation was masked by staff vacancies of up to 40 per cent in 2003–2004, our successful drive to secure – for the first time in recent history – a Secretariat at full complement from April 2005 will require a further \$130,000* to be taken from the reserves by the end of 2005.
4. The benefits of adequate staffing are already beginning to be felt in the Secretariat's output, as other papers and the presentations to be made during the meeting of the Conference of the Parties in November should illustrate.

** 2005 proposed work programme.

5. For the remainder of 2005, the approach which the Secretariat is pursuing is to secure the maximum possible level of delivery of the programme (including project support for Appendix I species) agreed by the Parties at the seventh Conference of the Parties. In early 2005, we redesigned our internal financial recording and allocation systems to give the maximum flexibility to our strengthened professional team and emphasized the need to deliver as many as possible of the key activities which Parties have supported and resourced.

6. At the same time, we took a series of measures to reduce the Convention's costs. The financial report and statements for the first two years of the triennium 2003–2005 to 31 December 2004 is a reflection of that initiative. Although the measures taken are not in themselves mutually exclusive, collectively they have rolled back the decline in purchasing power and, overall, have reduced claims on resources by approximately 20 per cent. The table below summarizes the measures taken to reduce the Convention's costs.

	Estimated savings, costs or benefits in 2005 (\$1,000)
(i) Initiating, in early January 2005, a vigorous strategy to raise funds from the private and corporate sectors (UNEP/CMS/Conf.8.20)	(50) ¹
(ii) Reducing travel and meeting costs by taking a strict but fair approach with our partners, specially other intergovernmental organizations	25 ²
(iii) Launching a campaign, in June 2005, to collect more than \$700,000 owed to the Convention by Parties and other partners in outstanding subscriptions and co-funding ("CMS Against Debt – CAD")	45 ³
(iv) Reducing the use of consultants to the minimum	20 ⁴
(v) Widening the use of competitive tendering for CMS contracts, including costs for the eighth Conference of the Parties	40 ⁵
(vi) Negotiating firmly within UNEP on the cost of the Conference of the Parties, and with other United Nations agencies and the host country on the cost of our move to new premises in Bonn	285 ⁶
(vii) Pressing all major donor Parties in Europe to make supplementary payments to CMS (including contributions to the eighth Conference of the Parties) reflecting their savings on the \$/€ exchange rate	110 ⁷
(viii) Insisting that all project grants normally represent a maximum of 50 per cent, with matching funding from non-governmental organizations, Governments or other donors	30 ⁸
(ix) Strengthening relations with key partners to maximize cost sharing	50 ⁹
	\$555,000

¹ Cost of fundraising consultant in 2005 less benefits obtained in 2005, e.g., CMS Thesis Award (\$10,000). See also document CMS/Conf.8.20.

² E.g., Secretariat travelled economy class to the eighth Conference of the Parties (saved \$20,000).

³ E.g., European Community paid outstanding subscriptions.

⁴ E.g., Report of the Strategic Plan 2000–2005 drafted in-house.

⁵ E.g., savings on using local contractor for the eighth Conference of the Parties/Lufthansa CMS video.

⁶ E.g., sum is the difference between the initial and final estimates of conference costs for the eighth Conference of the Parties.

⁷ See annex 2

⁸ E.g., the amounts for the CMS report on the manatee and the power-line guidelines were reduced.

⁹ E.g., joint UNEP and CMS Funding for the West African turtle memorandum of understanding (savings of \$75,000 over three years).

7. In September 2005 we will make a further request to Parties for further financial support in 2005 to replenish our project fund reserves and help meet the costs of holding the eighth Conference of the Parties in Nairobi, and also to finance the recent or proposed agreements for turtles, waterbirds, elephants, antelopes, bustards, gorillas and marine mammals.

8. The consequences of almost exhausting the Convention's historic reserves, together with the likelihood of a further reduction in the value of the dollar over the next triennium, have been addressed during 2005 by a Budget Working Group reporting through the Standing Committee. Their options identifying new processes for 2006–2008 are set forth in document UNEP/CMS/Conf.8.19.

Action requested:

The Conference of the Parties is invited to take note of the attached report and to provide the Secretariat with comments or guidance as necessary.

The financial framework of UNEP/CMS

1. The Secretariat has the honour to submit herewith the financial report together with the accounts of the CMS Trust Fund and the related accounts for the first two years of the triennium 2003–2005 to 31 December 2004. The accounts consist of two main statements supported by schedules, tables and notes to the financial statements. These accounts have been prepared in accordance with financial rule 106.10 of the United Nations and financial rule 213.3 of the United Nations Environment Programme and were submitted by the Executive Director of UNEP to the Board of Auditors on 31 March 2004 and 31 March 2005 respectively.

2. The Conference of the Parties, in its resolution 7.11 of September 2002, approved a budget for the triennium 2003–2005 of \$5.4 million for Convention project activities.

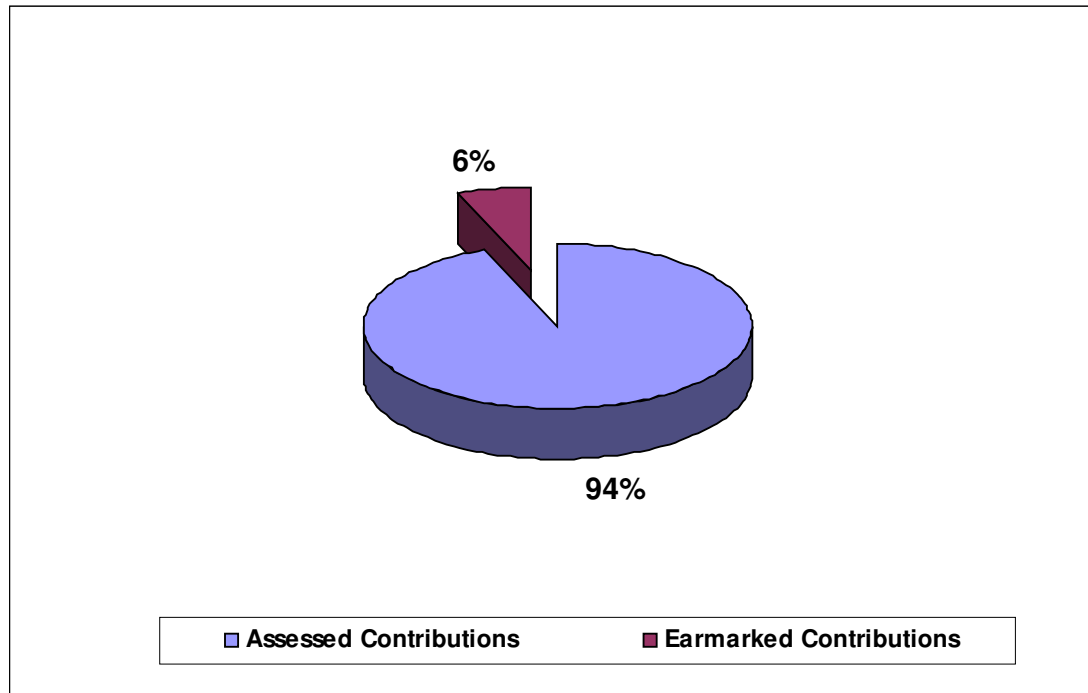
3. Table 1 below shows the total financial framework of UNEP/CMS for the first two years of the triennium 2003–2005 and gives a breakdown of resources and claims on resources for UNEP/CMS including earmarked contributions. Total allocations/allotments and expenditures for the first two years of the triennium 2003–2005 to 31 December 2004 were as follows (in thousands of United States dollars).

Table 1 The financial framework of UNEP/CMS for 2003–2004 by all sources of funds (USD × 1,000)

	Assessed contributions		Earmarked contributions	
	2003	2004	2003	2004
Resources				
Reserve and fund balance, beginning of period	2,714	2,178	27	480
Income				
Assessed contributions	1,466	1,644	582	136
Interest income	80	37	5	9
Miscellaneous income	0	23	0	0
Total income	1,546	1,704	587	145
Total available resources	4,260	3,882	614	625
Claims on resources				
Staff and other personnel costs	1,028	1,010	0	0
Contractual services	346	330	112	108
Travel	109	85	0	0
Operating expenses	317	280	7	9
Acquisitions	38	19	0	0
Programme support costs	230	224	15	15
Total claims on resources	2,068	1,948	134	132
Prior year adjustments	-14	-4	0	0
Excess/shortfall of resources				
Available over expenditure	-536	-248	453	13
Reserve and fund balance, end of period	2,178	1,930	480	493

4. As is shown in the table, the reserve and fund balance as at 31 December 2004 was \$2.4 million, comprising an operating reserve of \$700,000, an assessed fund balance of \$1.2 million; the remaining fund balance of \$493,000 is from earmarked contributions.

5. Figure A below provides a graphic representation of the total claims on resources.

Figure A UNEP/CMS claims on resources as at 31 December 2004

A. Assessed contributions

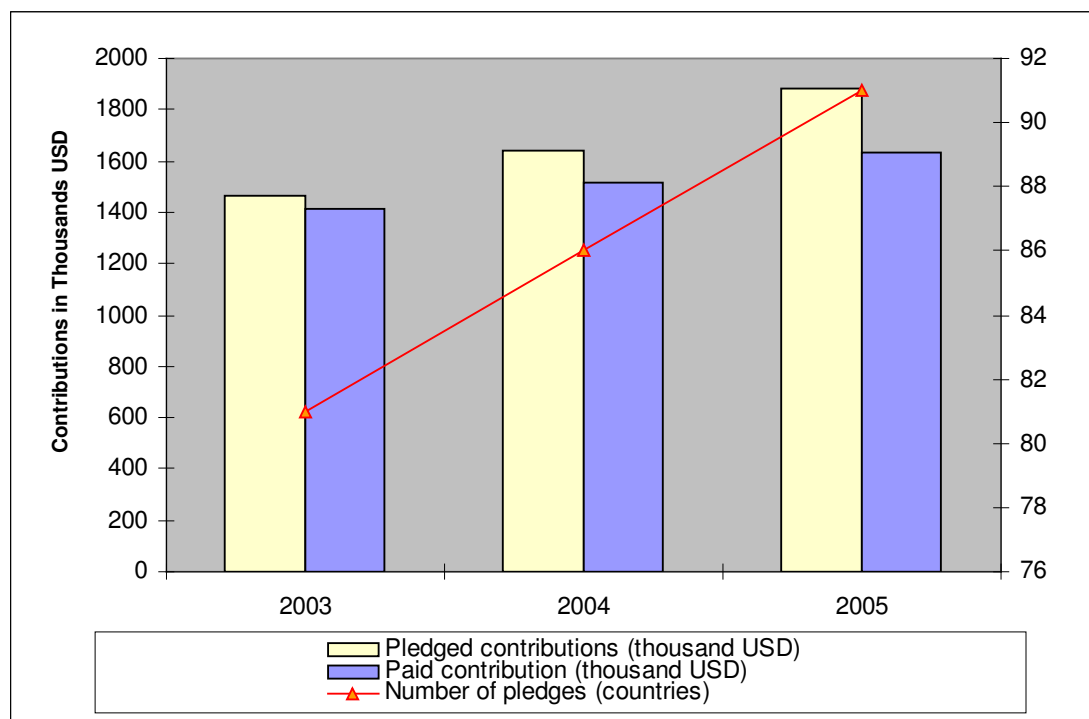
6. The present section gives an overview of the flow of the resources of the UNEP/CMS Trust Fund for the triennium 2003–2005.

7. As at 31 August 2005, 86 countries had pledged a total of \$1,470,000 to the Trust Fund for 2003. \$1,420,000, or 97 per cent, of the pledged contributions had been paid, leaving a balance of \$50,773 unpaid for 2003. In 2004, out of \$1,640,000 pledged by 86 countries, \$1.5 million, or 92 per cent of the pledged contributions, were paid, leaving a balance of \$126,277. For 2005, 91 countries have pledged a total of \$1.8 million. At the time of writing, of the 91 countries 44 have paid a total of \$1.6 million, leaving a balance of \$245,026 owing for the year. Of the total cumulative outstanding contributions for the triennium 2003–2005, including the 2005 unpaid pledges, \$561,471 is attributable to 12 Parties: Argentina, Belgium, Egypt, Greece, Libyan Arab Jamahiriya, Morocco, Nigeria, Spain, Sweden, Syrian Arab Republic, Ukraine and Uruguay. Based on the past two years' performance and on informal consultations with Governments, it is estimated that most of the outstanding contributions will be received for 2005. Consequently, a level of contributions to the Trust Fund of \$1.6 million is projected for 2005, bringing the total level of estimated contributions to \$4.4 million for the triennium 2003–2005. Nevertheless, that figure falls short of the projected income from subscriptions of \$4.9 million, the basis for the triennium's budget approved by the Conference of the Parties at its seventh meeting. For details of contributions, see annex I: Status of contributions to the UNEP/CMS Trust Fund.

8. Table 2 and figure B below compare the contributions pledged and received for 2005 with the two previous years as at 31 August 2005.

Table 2 Contributions to the Trust Fund in 2003–2005 as at 31 August 2005 (USD × 1,000)

	2003	2004	2005
Number of pledges (countries)	81	86	91
Pledged contributions	1,466	1,644	1,882
Increase/decrease from previous year	0	178	238
Paid contributions	1,417	1,516	1,637
Paid as percentage of pledged contributions	97%	92%	87%

Figure B Contributions to the UNEP/CMS Trust Fund 2003-2005

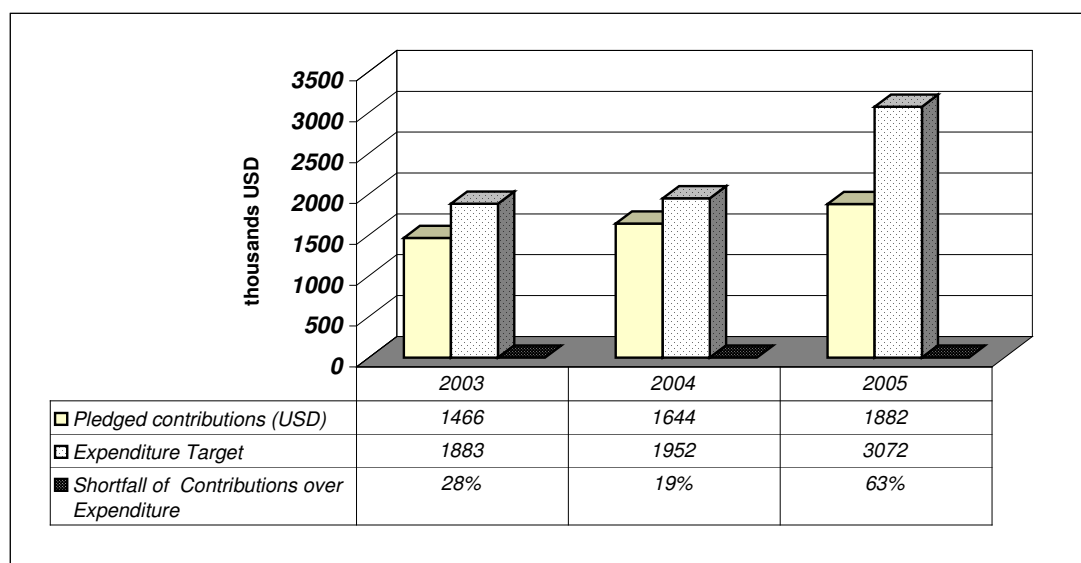
9. Table 3 and figure C below compare the contributions pledged and target expenditure for 2005 with the two previous years as at 31 August 2005.

Table 3 Contributions to the Trust Fund in 2003-2005 and expenditure as at 31 August 2005 (USD × 1,000)

	2003	2004	2005
Pledged contributions	1,466	1,644	1,882
Expenditure target	1,883	1,952	3,072
Shortfall of contributions over expenditure	417	308	1,190
Expenditure as percentage of contributions	128%	119%	163%

10. As is shown in table 3, the shortfall of contributions over expenditure is consistent with the decisions of the Conference of the Parties to fund conservation projects (from the operating reserve) plus the costs of the eighth Conference of the Parties and its associated meetings. Although the full effect of the dollar's devaluation was masked by staff vacancies of up to 40 per cent in 2003–2004, our successful drive to secure – for the first time in recent history – a Secretariat at full complement from April 2005 required additional funds to cover the difference between approved allotments in 2002 and actual United Nations standard costs in 2005.

Figure C Contributions to the UNEP/CMS Trust Fund and expenditure required to deliver the CMS Strategic Plan 2003–2005



B. Earmarked (counterpart) contributions

11. In accordance with resolution 7.11 of the seventh Conference of the Parties, the Executive Secretary may accept earmarked (counterpart) contributions in the form of agreed contributions from Governments or cooperating agencies or supporting organizations or others made in cash or in kind to support specific activities, services and facilities as set out in individual project documents.

12. The projected income for 2003–2005 (including miscellaneous income) for earmarked contributions directly supporting the UNEP/CMS programme of work amounts to \$932,000 while expenditures are estimated at \$582,000.

13. Table 4 shows the flow and use of earmarked contributions directly supporting the UNEP/CMS programme of work. For details of all earmarked contributions see annex II.

Table 4 Earmarked contributions – flow and use of resources (USD × 1,000)

	2003	2004	2005 Projections
Resources available			
Balance as at 1 January	27	480	493
Income (including interest income)	587	145	200
Total resources available	614	625	693
Claims on resources			
Expenditures (including prior years adjustments)	134	132	316
Balance on 31 December	480	493	377

Annex I

Status of the CMS Trust Fund

No	26 August 2005 Parties	Pledges for 2003	Pledges for 2004	Pledges for 2005	Unpaid pledges for 1996	Unpaid pledges for 1997	Unpaid pledges for 1998	Unpaid pledges for 1999	Unpaid pledges for 2000	Unpaid pledges for 2001	Unpaid pledges for 2002	Unpaid pledges for 2003	Unpaid pledges for 2004	Unpaid pledges for 2005	Unpaid pledges Total
1	Albania	96	107	122											0
2	Argentina	36,779	41,087	46,594					12,736	36,253	44,124	36,779	41,087	46,594	217,573
3	Australia	52,080	58,180	65,978											0
4	Belgium	36,139	40,372	45,783							0		31,361	45,783	77,145
5	Benin	64	72	81									38	81	119
6	Bulgaria	416	465	527										0	0
7	Burkina Faso	64	72	81		129	265	347	265	66	80	64	72	81	1,369
8	Cameroon	288	322	365	212	279	265	347	265	427	520	288	322	365	3,290
9	Chad	32	36	41		66	265	347	265	33	40	32	36	41	1,125
10	Chile	6,786	7,581	8,597										20	20
11	Congo	32	36	41					265	97		32	36	41	471
12	Croatia	1,248	1,395	1,582											0
13	Cyprus	1,216	1,359	1,541											0
14	Czech Republic	6,498	7,259	8,232											0
15	Democratic Republic of the Congo	128	143	162	212	279	265	347	265	230	280	128	143	162	2,311
16	Denmark	23,975	26,784	30,374										0	0
17	Egypt	2,593	2,897	3,285									2,897	3,285	6,182
18	European Community	36,633	40,924	46,410										-1,028	-1,028
19	Finland	16,709	18,666	21,168											0
20	France	206,975	231,219	262,210										0	0
21	Gambia	32	36	41											0
22	Georgia	160	179	203					155	227	276	160	179	203	1,200
23	Germany	312,703	349,332	396,154											0
24	Ghana	160	179	203											0
25	Greece	17,253	19,274	21,858										21,858	21,858
26	Guinea	96	107	122								96	107	122	325
27	Guinea-Bissau	32	36	41	212	279	265	347	265	33	40	32	36	41	1,550
28	Hungary	3,841	4,291	4,866											0
29	India	10,915	12,194	13,828								0	0	276	276
30	Ireland	9,411	10,513	11,922											0
31	Israel	13,284	14,840	16,829											0
32	Italy	162,121	181,112	205,386										0	0

№	26 August 2005 Parties	Pledges for 2003	Pledges for 2004	Pledges for 2005	Unpaid pledges for 1996	Unpaid pledges for 1997	Unpaid pledges for 1998	Unpaid pledges for 1999	Unpaid pledges for 2000	Unpaid pledges for 2001	Unpaid pledges for 2002	Unpaid pledges for 2003	Unpaid pledges for 2004	Unpaid pledges for 2005	Unpaid pledges Total
33	Jordan	256	286	324											0
34	Kenya	256	286	324											0
35	Latvia	320	358	406											0
36	Libyan Arab Jamahiriya	2,145	2,396	2,717								2,145	2,396	2,717	7,258
37	Liechtenstein	192	215	243											0
38	Lithuania	544	608	689											0
39	Luxembourg	2,561	2,861	3,244											0
40	Mali	64	72	81	212	279	265	347	265	66	80	64	72	81	1,731
41	Malta	480	536	608											0
42	Mauritania	32	36	41			133	347	265	33	40	32	36	41	927
43	Monaco	128	143	162											0
44	Mongolia	32	36	41										41	41
45	Morocco	1,408	1,573	1,784							1,640	1,408	1,573	1,784	6,405
46	Netherlands	55,633	62,150	70,480										-360	-360
47	New Zealand	7,714	8,618	9,773											0
48	Niger	32	36	41	212	279	265	347	265	66	80	32	36	41	1,623
49	Nigeria	2,177	2,432	2,758						1,052	1,280	2,177	2,432	2,758	9,699
50	Norway	20,678	23,100	26,197											0
51	Pakistan	1,953	2,181	2,474											0
52	Panama	576	644	730										-24	-24
53	Paraguay	512	572	649				347	265	460	560	512	572	649	3,365
54	Peru	3,777	4,220	4,785										65	65
55	Philippines	3,201	3,576	4,055										3,874	3,874
56	Poland	12,100	13,517	15,329											0
57	Portugal	14,788	16,521	18,735											0
58	Republic of Moldova	64	72	81									72	81	153
59	Romania	1,857	2,074	2,352										0	0
60	São Tomé and Príncipe	32	36	41						3	39	32	36	41	151
61	Saudi Arabia	17,733	19,811	22,466											0
62	Senegal	160	179	203										203	203
63	Slovakia	1,376	1,538	1,744											0
64	Slovenia	2,593	2,897	3,285											0
65	Somalia	32	36	41	212	279	265	347	265	33	40	32	36	41	1,550
66	South Africa	13,060	14,590	16,545											0
67	Spain	80,624	90,069	102,141										102,141	102,141
68	Sri Lanka	512	572	649											0
69	Sweden	32,866	36,716	41,637									32,891		32,891
70	Switzerland	40,780	45,557	51,663										0	0

No	26 August 2005 Parties	Pledges for 2003	Pledges for 2004	Pledges for 2005	Unpaid pledges for 1996	Unpaid pledges for 1997	Unpaid pledges for 1998	Unpaid pledges for 1999	Unpaid pledges for 2000	Unpaid pledges for 2001	Unpaid pledges for 2002	Unpaid pledges for 2003	Unpaid pledges for 2004	Unpaid pledges for 2005	Unpaid pledges Total
71	Tajikistan	32	36	41								32	36	41	109
72	The FYR of Macedonia	192	215	243									48	243	291
73	Togo	32	36	41	121	279	265	347	265	33	40	32	36	41	1,459
74	Tunisia	960	1,073	1,217										391	391
75	Uganda	160	179	203							20	160	179	203	562
76	Ukraine	1,697	1,895	2,149				1,733	5,019	6,245	7,601	1,697	1,895	2,149	26,339
77	United Kingdom	177,206	197,963	224,496											0
78	United Republic of Tanzania	128	143	162											0
79	Uruguay	2,561	2,861	3,244					1,061	1,578	1,920	2,561	2,861	3,244	13,225
80	Uzbekistan	352	393	446				477	663	822	1,000	352	393	446	4,153
TOTAL USD		1,465,327	1,465,327	1,636,983	1,856,387	1,393	2,148	2,518	6,027	22,814	47,757	59,700	48,879	121,914	238,857
New parties from 2003		New parties from 2003													
81	Belarus	203	679	770										0	0
82	Bolivia	256	286	324								256	286	324	866
83	Côte d'Ivoire	144	322	365								144	322	365	831
84	Ecuador		894	1,014									894	1,014	1,908
85	Syrian Arab Republic	1,494	2,861	3,244								0	0	0	0
86	Mauritius		229	446									0	0	0
87	Djibouti			41										41	41
88	Liberia			41										41	41
89	Eritrea			38										38	38
90	Rwanda			41										21	21
91	Austria			19,201										0	0
	Subtotal	2,097	5,271	25,525	0	0	0	0	0	0	0	400	1,502	1,844	3,746
	GRAND TOTAL	1,467,424	1,642,254	1,881,912	1,393	2,148	2,518	6,027	22,814	47,757	59,700	49,279	123,416	240,701	555,753

Annex II

Earmarked contributions for CMS projects in 2003–2005

Donor	Party	Year	Pledged	Received (USD)	Purpose
Australia	Yes	2003	USD 5,000	6,610	Sponsorship for delegates from developing countries to first meeting of signatory States to the Memorandum of Understanding on the Conservation and Management of Marine Turtles and their Habitats in the Indian Ocean and South-East Asia, Bangkok, 22–24 Jan 2003
Germany	Yes	2003	EUR 15,000	17,849	Coloured leaflet on the basic work of the Convention; scientific paper on the contributions of CMS to the goals of the World Summit on Sustainable Development
Germany	Yes	2003	EUR 51,100	58,221	Maintaining, updating and amending GROMS, including assistance to the Secretariat for consultancy on institutional arrangements for the future management of GROMS
Monaco	Yes	2003	EUR 10,000	10,719	Maintenance and further development of GROMS
United Kingdom	Yes	2003	GBP 15,000	25,230	Financial support for the study on identification of the wintering grounds of the globally threatened Aquatic Warbler
WAZA	No	2003	USD 1,000	1,000	Financial assistance for the conservation of Sahelo-Saharan antelopes, workshop on the regional programme and action plan, Morocco, May 2003
Subtotal 2003*				119,629	
Belgium	Yes	2004	EUR 5,000	6,361	IUCN World Conservation Congress Workshop
Germany	Yes	2004	EUR 51,100	62,454	Maintaining, updating and amending GROMS including assistance to the Secretariat for consultancy on institutional arrangements for the future management of GROMS
Italy	Yes	2004	EUR 5,000	5,924	IUCN World Conservation Congress Workshop
Lufthansa	No	2004	EUR 5,000	6,127	Communication and public awareness of CMS activities
United Kingdom	Yes	2004	GBP 30,000	54,375	IUCN World Conservation Congress 2004 Workshop: Integrating Migratory Species into Biodiversity Strategies and Action Plans (BSAPs)
WAZA	No	2004	EUR 1,000	1,246	Bukhara Deer Action Plan
Subtotal 2004**				136,488	

Donor	Party	Year	Pledged	Received (USD)	Purpose
Finland	Yes	2005	unknown		Contribution towards the eighth Conference of the Parties, budget line 3304
France	Yes	2005	EUR 5,035		Francophone exhibition, budget line 5201
Germany	Yes	2005	EUR 25,000		Contribution towards the eighth Conference of the Parties, budget line 3304
Germany	Yes	2005	EUR 51,100	42,362	Fiji Meeting; interim Central Asian Flyway coordination; turtle poster; various conservation measures
Germany	Yes	2005	EUR 10,000	13,127	GROMS evaluation, budget line 2295
Norway	Yes	2005	NOK 50,000	7,730	Contribution towards the eighth Conference of the Parties, budget line 3304
Monaco	Yes	2005	USD 10,000	13,127	A project to increase the scope of CMS for working in partnerships, perhaps on marine mammals action plan (with UNEP), budget line 2294
United Kingdom	Yes	2005	GBP 50,000		Contribution towards the eighth Conference of the Parties, budget line 3304
United Kingdom	Yes	2005	GBP 25,000	47,662	Contribution towards the eighth Conference of the Parties, budget line 3304
United Kingdom	Yes	2005	GBP 15,000	28,597	Mountain Gorilla in Uganda, Rwanda and Democratic Republic of the Congo, budget line 2293
United Kingdom	Yes	2005	GBP 330	630	Strategic Planning Meeting, London, 2–5 March 2005, budget line 2255
Subtotal 2005				153,234	
TOTAL, including 2005				439,351	
* Excludes contributions towards the Sahelo-Saharan Antelope Project and financial support for the seventh Conference of the Parties.					
** In 2004, UNEP allotted \$30,000 for the twenty-fifth anniversary of CMS.					