1. This document has been prepared by the Secretariat in consultation with the Chair of the Working Group.

2. There is a long history surrounding the development and review of the Agreement between the CITES Standing Committee and the Executive Director of UNEP. It is not proposed to recite the full history of this matter, but to focus on the most recent developments.

3. The Standing Committee, at its 47th meeting (Santiago, November 2002), recommended that the Agreement between the Standing Committee and the Executive Director, signed on 20 June 1997, be revised.

4. At its 60th meeting (Qatar, March 2010), the Standing Committee established a working group to review the relationship between CITES and UNEP. The members of this group are: Australia, Colombia, Egypt, Japan, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America. However given the level of interest in the issue, the Chair has actively engaged the entire Standing Committee in the review.

5. At its 26th Regular Session (Nairobi, 2011), the Governing Council of UNEP was provided with an information paper on the Evolution of the relationship between the United Nations Environment Programme and the multilateral environmental agreements that it administers (hereinafter referred to as the 'UNEP paper'), which, together with a corrigendum, is attached to the present document as Annex 1 (in English only).

6. The UNEP paper notes that: on 1 January 1996, the United Nations Office at Nairobi (UNON) was established from the United Nations Common Services Unit at Nairobi and the separate divisions of administration of UNEP and the United Nations Human Settlements Programme (UN-Habitat). The objective in establishing UNON was to strengthen the United Nations presence in Nairobi and to achieve economies of scale. Under a memorandum of understanding and specific service agreements with UNEP and UN-Habitat, UNON provides a full range of central administrative and other support services. This was not the case when the Executive Director of UNEP was asked to provide the secretariat for the Convention.

7. The UNEP paper further notes that, to date, UNON has issued a single aggregated bill for services provided to UNEP. This has allowed multilateral environmental agreements (MEAs) to benefit from the services, capacity and associated financing described in the papers referred to in paragraph 6 above.

8. Following consideration of the UNEP paper, the Governing Council of UNEP, in paragraph 18 of its decision 26/9 (Nairobi, 2011) requested the Executive Director, in consultation with the relevant MEA secretariats, the United Nations Board of Auditors, the Office of Legal Affairs and all relevant bodies, to

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1 See the footnote on page 2 of Annex 1 for detail.
prepare for presentation to the Governing Council at its 12th special session (2012) a progress report that includes input and commentary from the MEAs, and addresses the issues of accountability and the financial and administrative arrangements, including their legal bases, between UNEP and the MEAs that it administers.

9. In conjunction with the review of the Agreement, the Executive Director and the Secretary-General reviewed the delegation of authority between them. While this is an administrative matter between the Secretariats of UNEP and CITES, in the interest of full transparency the draft delegation was shared for comments with the Standing Committee and the Working Group prior to being finalized. Comments provided were incorporated into the final document on the delegation of authority that became effective on 1 October 2010. At the request of the Chair of the Standing Committee, the Executive Director agreed to further review the delegation, should anything emerge from the review of the Agreement that was unforeseen and that might require some adjustment to the delegation.

10. Finalization of the delegation of authority enabled the Standing Committee and Working Group to focus on how the Agreement addresses the relationship between UNEP and the CITES Parties, as represented by the Standing Committee (as opposed to the administrative arrangements between the Executive Director and the Secretary-General). This includes the issue of Programme Support Costs (PSCs).

11. The Executive Director was requested to provide further information on the PSC issue, which was duly provided and shared with the Standing Committee and Working Group.

12. The Chair of the Standing Committee prepared a new draft agreement with the Secretariat that was shared with the Standing Committee and Working Group. This first draft was revised to reflect all of the comments received. A revised draft was then shared with the Standing Committee and Working Group for a final round of comments, after which a Standing Committee ‘working draft’ was finalized and shared with the Executive Director for his comments.

13. In early May 2011, the Executive Director provided comments and suggested modifications to the Chair of the Standing Committee on its ‘working draft’. These comments and suggested modifications were reviewed by the Secretariat at the request of the Chair, and both the Executive Director’s comments and those of the Secretariat were shared with the Standing Committee and Working Group on 16 May 2011.

14. The Chair of the Standing Committee has received comments from members of the Standing Committee and the Working Group. At the time of writing this paper (June 2011), these comments were being reviewed in an effort to prepare a revised final draft to present to the Executive Director for his consideration.

15. A revised final draft agreement, developed with the full involvement of the Working Group and the Standing Committee, will be made available prior to the present meeting. It will then form Annex 2 to the present document.

16. If possible, a new agreement will be concluded at the present meeting.

17. Informal feedback from UNEP suggests that some of the comments received may call into question one of the basic agreed principles of the draft Agreement, namely that the relevant rules and regulations of the United Nations and UNEP apply to the operation of the Secretariat, in particular those relating to the delegation of authority and the recruitment of staff and assessment of their performance.

18. The expectations of some Parties, as expressed at the date of preparing the present document, may go beyond what can be agreed through an agreement between the Executive Director of UNEP and the Standing Committee and may require a more fundamental discussion. An agreement could however be concluded in the context of the agreed basic principles while a broader discussion is undertaken, noting that the draft agreement includes a provision that it can be reviewed at any time.

19. The forthcoming United Nations Conference on Sustainable development in June 2012, often referred to as ‘Rio+20’, includes as one of its themes “the institutional framework for sustainable development” under which UNEP has been leading an intergovernmental process on international environmental governance. The outcomes of Rio+20 could have implications for UNEP and MEAs administered by UNEP, including CITES.

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Recommendations

20. The Secretariat, following consultation with the Chair of the Standing Committee, recommends that the Standing Committee:

a) note the open and transparent process for:
   i) the adoption of a new delegation of authority between the Executive Director and Secretary-General; and
   ii) the drafting of a new agreement between the Executive Director and the CITES Parties represented by the Standing Committee;

b) consider whether to enter into a new agreement with the Executive Director;

c) note that:
   i) there are issues being raised by some Parties that may go beyond the scope of the draft agreement; and
   ii) the outcomes of the forthcoming United Nations Conference on Sustainable Development could have implications for CITES; and

d) consider whether to request the Working Group reviewing the relationship between CITES and UNEP to review possible alternative options for the provision of a Secretariat for CITES and to report at the 62nd meeting of the Standing Committee.