

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA

Thirteenth meeting of the Conference of the Parties
Bangkok (Thailand), 2-14 October 2004

Strategic and administrative matters

Financing and budgeting of the Secretariat and of meetings of the Conference of the Parties

BUDGET FOR 2006-2008

1. This document has been prepared by the Secretariat.

Introduction

2. The core administrative costs of the Secretariat, the Conference of the Parties and its subsidiary bodies, the Standing Committee and the other permanent committees, are financed from the CITES Trust Fund. This Trust Fund is replenished from contributions from the Parties to the Convention based on the United Nations scale of assessment, adjusted to take account of the fact that not all members of the United Nations are Parties to the Convention.
3. The budget for the triennium 2006-2008 is to be adopted by the Conference of the Parties at its 13th meeting.
4. The proposed budget for the triennium 2006-2008, provided in Annex 1 to this document, consolidates the existing structure and activities of the Convention. Its new presentation follows the approach taken by other Multilateral Environmental Agreements (e.g. Convention on Biological Diversity, United Nations Convention to Combat Desertification), namely to show estimated resources needed for the implementation of specific services. This presentation shows all of the allocations associated with each category of service, including those for staff and travel costs as well as general office operating expenses.

Proposed budget structure

5. The budget shows a breakdown across the following categories of service: capacity building; cross-cutting support programmes, documentation and meetings; executive direction and management; implementation assistance; legislation, enforcement and compliance; outreach; scientific support; and office maintenance costs.
 - a) *Capacity building.* This area of work comprises all activities related to training, transfer of skills and awareness-raising, including the organization and completion of training workshops, preparation and production of training materials and tools, development of training methodologies, development of training programmes, evaluation of the effectiveness of training activities, answering questions from the public, and the preparation, production and distribution of the Identification Manual (and its future development as an on-line resource).
 - b) *Cross-cutting support programmes.* This area of work reaches across all aspects of the work programme, and involves the development of the Secretariat's work programme and the administration of the work programme by each Functional Unit, fund-raising for all externally-funded activities, development and administration of externally-funded projects, verification missions (as may be requested by the Parties and the Standing Committee), and staff costs and other costs associated with unanticipated assistance to Parties on emerging issues of particular importance requiring rapid attention. For example, the Secretariat could not have foreseen the assistance required by the Caspian littoral States in order to regulate successfully and

collaboratively the trade in sturgeon products and to fulfil requirements under the Review of Significant Trade and the Paris Agreement (in areas relating to enforcement, compliance, science management, and capacity building).

- c) *Documentation and meetings.* This area of work includes the organization of meetings of the Conference of the Parties, the Standing Committee, the technical committees, and other technical meetings as may be requested by the Parties (such as dialogues or species-specific meetings), and includes, where required, simultaneous interpretation. It also includes the drafting, editing and preparation (including translation), publication and distribution of official documents for meetings, Notifications, the *Checklist of CITES Species*, the *CITES World* newsletter, CD-ROM versions of the website, and other publications distributed to the Parties.
- d) *Executive direction and management.* This area of work includes the executive management of the Secretariat and its programme of work. Personnel management, financial management and the development of policy are also included in this category.
- e) *Implementation assistance.* This area of work covers maintenance of registers (captive breeding, artificial propagation, scientific institutions), compilation of annual trade data, monitoring and analysis, and assistance to Parties on matters relating to permits and certificates.
- f) *Legislation, enforcement and compliance.* This area of work includes assistance in the development and application of policy instruments for implementation of the Convention, specifically: legislative analysis and advice under the National Legislation Project; facilitation and monitoring of annual and biennial report preparation and submission; identification of illegal trade incidents and trends; provision of enforcement assistance and liaison with national and international enforcement bodies; guidance for wildlife trade policy reviews and use of social or economic incentives; support related to and guidelines for compliance with the Convention; and enhanced policy coherence with relevant UN bodies and specialized agencies, WTO and other MEAs.
- g) *Outreach.* This area of work includes staff time devoted to regional assistance, the development and maintenance of the CITES website as the principal repository and distribution point for CITES information and documents, and relations with the media and the general public.
- h) *Scientific support.* This area of work includes all forms of assistance to Scientific Authorities, assistance and support to the technical committees, the review of significant trade, assistance with the development and implementation of quota systems, the making of non-detriment findings, the development of wildlife management programmes, and the implementation of research and species projects.
- i) *Office maintenance costs.* This category outlines the resources required for rent and utility charges.

Resource requirements for the triennium 2006-2008

6. Requirements for the triennium 2006-2008 by category of service are presented in Annex 1. Annex 2 indicates resource requirements within each category of service. It also provides a comparison between the 2003 expenditures and the proposed budget for the period 2006-2008. Annex 3 is provided for reference only and presents the budget estimates for the triennium 2006-2008 using the previous structure of the budget for the triennium 2003-2005. Annex 4 shows the Secretariat's organizational structure and staffing resources. It should be noted that the cost of each staff member is shared between all the categories to which he or she contributes. The proportion of each staff member's contribution to each category was determined by consultations with all staff and will be adjusted as necessary over time.
7. Total programme resources required for the triennium 2006-2008, including programme support costs, are estimated at USD 15,368,079 as compared to the 2003-2005 budget of USD 14,181,000. A further amount of USD 271,200 is required to cover office maintenance costs for which there is no budgetary provision in the 2003-2005 triennium budget.

8. The proposed budget for the triennium 2006-2008 represents a 10.3 per cent increase over the amount budgeted for the period 2003-2005. This budget is very modest considering the Convention's global scope and increasing volume of work of the Conference of the Parties, the Secretariat and the Convention's permanent committees. It should be stressed that the proposed budget aims to reconcile the previously estimated costs of operation with the actual costs to enable the Secretariat to continue performing its current functions. The increase is required because of the following factors:
- a) The inclusion of a provision for office maintenance costs (1.9 per cent of the 10.3 per cent increase sought). At its 12th meeting (Santiago, 2002) the Conference of the Parties made no provision for such costs in its budget for the triennium 2003-2005. The Standing Committee at its 50th meeting (Geneva, March 2004) considered favourably a request by the Government of Switzerland, as the country that hosts the Secretariat, to include a provision for office maintenance costs in the budget estimates for 2006-2008. This requires an additional amount of USD 271,200.
 - b) The increased operational costs of the Secretariat represent 6.7 per cent out of the necessary 10.3 per cent increase. In the year 2003 the staff costs exceeded the approved 2003 budget. The higher-than-projected expenditures relating to the salaries of staff in the professional and general service categories are caused by the changes in the UN staff costs for the Geneva duty station, which represent an increase compared to the projected figures used in the preparation of the Secretariat's budget for the current triennium. It should be noted that this does not reflect an increase in salaries. It must be recalled that in an effort to reduce the increase in contributions by Parties at CoP12, staff costs for 2003-2005 were estimated on the basis of actual expenditures incurred in 2000-2002. This meant losing a margin of flexibility to buffer the impact of inflation and fluctuations of exchange rates, both of which are incorporated in the UN standard staff costs. In the year 2003, the Secretariat was able to offset the increased staff costs to a certain extent by savings resulting from temporary vacancies and from the cancellation of certain obligations from prior years. However, the Secretariat is unable to identify further savings in the budgets for 2004 and 2005. Any over-expenditures as a result of changes in the staff costs will therefore have to be fully financed from drawdown funds available in the CITES Trust Fund. The staff expenditures projected for the next triennium are higher than for the current triennium to absorb that recent increase. The projected Trust Fund balance of approximately USD 0.76 million at the end of the current triennium of which USD 0.7 million represents the minimum financial reserve required under Resolution Conf 12.1, will not be sufficient to cover the increased staff costs anticipated in the years 2006-2008. The Standing Committee agreed that all recurrent operational costs should be financed by annual contributions of the Parties to ensure that the CITES Trust Fund balance is not reduced below USD 0.7 million.
 - c) The increased requirements, resulting from a rise in cost of services for organizing meetings of the Standing, Animals and Plants Committees and activities implemented by external service providers, represent 1.2 per cent out of the 10.3 per cent increase. Conference servicing costs for meetings of the Animal and Plants Committees have been adjusted upwards to accommodate salaries and travel of UN interpreters following the complaints from Parties concerning the quality of interpretation provided by other service providers during recent meetings. It should also be stressed that resources required for meetings of the Animals and Plants Committees have been estimated in accordance with the CoP12 decision that meetings should be held back to back at the same place and in Geneva every other year. However, it should be noted that few Parties might be willing to host meetings of both Committees back to back.
 - d) The new budget line 'Strategic Plan Working Group' represents 0.5 per cent of the 10.3 per cent increase. An amount of approximately USD 63,280 will be required to provide for travel and *per diem* of the Working Group participants to two meetings to be convened in Geneva between early 2006 and mid-2007.
9. The Secretariat seeks approval by the Parties of a P-3 post of Information Network Officer, half of which will be funded from the 13 per cent Programme Support Costs levied on external funding and half from the CITES Trust Fund. This post was recently established by the Executive Director of UNEP on the request of the Secretary-General and is subject to Parties' approval. The creation of this

post will not imply any increase in Parties' contributions since it is proposed to re-allocate the annual provision for the maintenance of the CITES website by external service providers to co-fund this post, the main function of which is the maintenance and development of the CITES website. Given the ever-increasing role of the CITES website for not only communicating with the Parties but also assisting them in implementing the Convention, the regularization of the post has become of primordial importance.

Financing of the 2006-2008 budget

10. The total contributions sought from the Parties for the triennium 2006-2008 amount to USD 15,639,279, which represents a 10.3 per cent increase compared to the total contributions for the triennium 2003-2005.
11. The indicative scale of contributions is presented in Annex 5. In accordance with Resolution Conf. 12.1 the Secretariat applied the United Nations scale of assessment for the apportionment of the expenses of the United Nations, which was adopted at the 58th session of the General Assembly on 23 December 2003 (Resolution 58/1B) to calculate the contributions of the Parties to the CITES Trust Fund for the triennium 2006-2008. The United Nations scale has been adjusted to take account of the fact that not all members of the United Nations are Parties to the Convention.
12. Following a request made by the Standing Committee at its 50th meeting, Annex 6 presents several options that could be considered if the Parties decided not to increase their contributions by 10.3 per cent for the triennium 2006-2008.

Draft resolution on the 2006-2008 budget

13. A draft resolution on the budget for the triennium 2006-2008 with the revised terms of reference for the CITES Trust Fund is presented in Annex 7.