

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

Forty-fifth meeting of the Standing Committee
Paris (France), 19-22 June 2001

Strategic and administrative matters

Financial and administrative matters

OPTIONS FOR PREPARATION OF THE BUDGET FOR THE PERIOD 2003-2005

1. This document has been prepared by the Secretariat.
2. Three options are provided for the preparation of the budget for the triennium 2003-2005 in the following Annexes:
 - Annex 1: Real growth option
 - Annex 2: No change option
 - Annex 3: Reduced growth option
3. The current level of annual contributions to the Trust Fund could not fully fund any of the proposed options. Projecting that there will be no drawdown funds available in the Trust Fund by the end of 2002, the implementation of any of the proposed options will require an increase in the annual contributions of the Parties in the triennium 2003-2005. The table below indicates the increase that would be required in Parties' contributions consequent upon each possible option:

Real growth option (Proposal submitted at CoP11)	No change option (Programme approved at COP11)	Reduced growth option
Compliance, capacity building and regional assistance programme strengthened	Compliance, capacity building and regional assistance programme underfunded	Scientific support, capacity building programme, compliance and regional assistance programmes substantially reduced
Required increase in Parties contributions: 41 per cent	Required increase in Parties contributions: 25 per cent	Required increase in Parties contributions: 10 per cent

4. The Secretariat requests the Standing Committee to provide guidance as to which of the presented options should be used by the Secretariat for the preparation of its budget for 2003-2005 for presentation at the 12th meeting of the Conference of the Parties.

Real growth option

1. The real growth option requires a 41 per cent increase in annual contributions of the Parties.
2. This option simply covers the approved budget proposal submitted to CoP11 but not funded adequately and it therefore includes activities for which there was not sufficient funding provided in the Trust Fund budget during the biennium 2001-2002, such as compliance activities, regional assistance and capacity building programmes.
3. The Secretariat requires approximately CHF 1,175,000 per annum in the triennium 2003-2005 to strengthen these programme areas as well as to cover the office maintenance costs fully. The breakdown of these costs is as follows:
 - Compliance CHF 520,000
 - Regional assistance CHF 380,000
 - Capacity building CHF 190,000
 - Office maintenance CHF 85,000
4. Compliance

The current budget no longer provides for the posts of Senior Enforcement Officer (Customs) or Research Assistant, approved at the 41st meeting of the Standing Committee. The Secretariat believes these posts are required to support the Parties adequately on issues related to compliance. Specifically, additional expertise on border controls and the specialized Customs regime is needed and would provide the two-pronged approach (i.e. police and Customs) originally envisaged for the Unit. The Unit's monitoring work and communications related to queries, sample permits, sample signatures, permit verification, marking/tagging, entry/maintenance of infractions data, and annual/biennial reports requires an additional support staff member, so that the Unit Secretary can focus on providing administrative and clerical support to the three professional staff in the Unit.

The current budget reflects very limited funding for compliance activities. Approximately CHF 190,000 is required each year during the triennium 2003-2005 to enable staff to undertake activities related to: the strengthening and application of legislation; the resolution of Convention implementation issues/problems; compliance review and assistance; enforcement-related missions and materials; economics/trade analysis, liaison and advice; and improved provision of information to the media and the public. Without such funding, full and effective implementation of the compliance-related elements of the Strategic Plan and the COP Resolutions/Decisions cannot be achieved.

5. Regional assistance

The current budget does not provide for the post of Regional Assistance Officer, endorsed by the Conference of the Parties at its 11th meeting. The Secretariat believes that this post is required to address the regional needs of the Parties adequately.

In addition approximately CHF 190,000 is required each year during the triennium 2003-2005 to assist Parties in convening their regional meetings.

6. Capacity building

There is a need for the Secretariat to provide greater capacity building assistance to the Parties. The demand for regional training exceeds significantly the resources available to the Secretariat. Previously, training activities were implemented only through external funding. This has caused difficulties in planning the training sessions and disappointments for Parties that could not receive training. The Secretariat continues to search for external funding for training sessions. However the inclusion of additional funding of CHF 190,000 in the annual Trust Fund budget during the triennium 2003-2005 for capacity building activities would enable the Secretariat to assist the Parties more efficiently.

7. Maintenance costs

The 20 per cent reduction in the Trust Fund budget for 2001-2002 resulted in underfunding of some budget items. The Secretariat requires CHF 85,000 per annum during the triennium 2003-2005 to cover the actual costs of these insufficiently funded items.

8. It should be noted however that the real growth option does not cover workplan items proposed for external funding as presented in document SC45 Doc. 7.2.1

No change option

1. The no change option requires a 25 per cent increase in annual contributions of the Parties.
2. The option reflects the current level of the Secretariat's programme, for which there is no adequate funding provided in the Trust Fund budget for such priority activities as compliance, capacity building and regional assistance as well as other items referred to in Annex 4 of Resolution Conf. 11.2
3. The 20 per cent reduction in the Trust Fund budget for 2001-2002 resulted in underfunding of some budget items. The Secretariat should cover the full costs of these insufficiently funded budget lines by making adjustment to the others as proposed for the 2001 budget presented in document SC45 Doc. 7.2.2.

Reduced growth option

1. The reduced growth option requires a 10 per cent increase in annual contributions of the Parties.
2. This option will require a reduction of the current Trust Fund budget by 11 per cent and it will lead consequently to a significant reduction in the Secretariat's programme of work. Some programmes/budget items will have to be either substantively reduced or even deleted in order to align the Secretariat's programme of work with the availability of resources for its implementation in the triennium 2003-2005. In addition to the discrete programmes presented in the document SC45 Doc. 7.2.5, which will not be continued in the triennium 2003-2005, other programme areas should be substantively reduced in order to achieve the required cost reduction of approximately CHF 0.91 million a year.