

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

PROPOSAL TO CHANGE THE CURRENCY OF THE SECRETARIAT'S BUDGET

1. This document has been prepared by the Secretariat.
2. The Secretariat's budget is expressed in Swiss francs (CHF) with the equivalent amount in US dollars (USD) using the indicative exchange rate of USD to CHF prevailing at the time the budget is developed and presented for consideration and approval by the Conference of the Parties. For the 2001-2002 budget, the Secretariat applied the exchange rate of USD 1.00 to CHF 1.50, which was the average of the UN operational rates for 1999.
3. During the year 2000 and the first six months of 2001, the value of Swiss franc fell against the US dollar. The average UN operational exchange rate for 2000 stood at CHF 1.69 to USD 1.00 and at CHF 1.70 to USD 1.00 for January-June 2001, as compared to the average exchange rates of USD 1 = CHF 1.50 for 1999, USD 1 = CHF 1.45 for 1998 and USD 1 = CHF 1.44 for 1997.
4. The majority of the budget items are originally calculated in US dollars and converted into Swiss francs using the indicative exchange rate while the corresponding expenditures are incurred by the Secretariat in US dollars at the actual exchange rate. In the year 2000, approximately 73 per cent of the total expenditures were incurred in US dollars while only 27 per cent were incurred in Swiss francs. For the year 2001 it is projected that 71 per cent of the budget will be spent in US dollars and the remaining 29 per cent of the budget will be spent in Swiss francs.
5. Because of this currency trend the budget estimate in Swiss francs for the US dollar expenditures is not adequate to cover the actual cost in 2000 and the budget for the year 2001 might not be sufficient either if the exchange rate continues to be unfavourable. The actual expenditures in 2000 amounted to USD 4,66 million which is equivalent to CHF 7.00 million and CHF 7.88 million at the conversion rate of USD 1.00 = CHF 1.50 and of USD 1.00 = CHF 1.69 respectively.
6. In order to avoid the impact of the fluctuation of exchange rates on the Secretariat's budget and, consequently, on the Secretariat's ability to implement programmes, the Secretariat proposes to change the currency of the budget and the assessed contributions of the Parties to the Trust Fund from Swiss francs to US dollars. This should provide the Secretariat with more stable and predictable resources. The Secretariat seeks the endorsement of the Standing Committee for the proposal to present its budget for the next triennium 2003-2005 in US dollars only.

7. This proposal is in line with the financial regulations and rules of the United Nations, which recognizes the US dollar as its official accounting currency.