

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

Forty-sixth meeting of the Standing Committee
Geneva (Switzerland), 12-15 March 2002

Strategic and administrative matters

Financial and administrative matters

Report of the Finance Subcommittee

PAYMENTS OF CONTRIBUTIONS BY PARTIES

1. This report has been prepared by the Secretariat and includes the following Annexes:
 - Annex 1: Status of the contributions to the Trust Fund as of 31 December 2001;
 - Annex 2: Status of the 2001 contributions to the Trust Fund by region as of 31 December 2001;
 - Annex 3: Annual distribution of the unpaid contributions as of 31 December 2001;
 - Annex 4: Income, expenditures and accumulated fund balances as of 31 December 2001;
 - Annex 5: Flow and use of the Trust Fund resources for 2001-2002.
2. Annex 1 shows the status of contributions to the Trust Fund as of 31 December 2001. Paid contributions totalled CHF 6,830,755.08 of which CHF 557,836.60 were due for 2000 and prior years.
3. Annex 2 shows the status of 2001 contributions to the Trust Fund by regions. The amount of USD 6,307,228.44 was received, which represents 94.24 per cent of the contributions due for 2001.
4. Annex 3 provides the information on the outstanding contributions to the CITES Trust Fund. The total unpaid contributions as of 31 December 2001 stood at CHF 1,034,182.61, out of which CHF 385,514.56 was due for 2001, CHF 239,672.21 for 2000 and CHF 408,955.84 for 1999 and prior years. Following the Standing Committee's request, the Secretariat communicated with 63 Parties that fell into arrears with their contributions over the years 1992-2000 and asked them to suggest a time-frame for the payment of their unpaid contributions or, alternatively to explain why they were not presently in a position to provide such a time-frame. In response seven Parties paid their unpaid contributions in full and six Parties made partial payments. Six Parties replied to the Secretariat's letter and asked for some clarifications with regard to their arrears. One Party informed the Secretariat that due to the political and financial crisis over the last eight years it would not be able to either settle its dues or provide the time-frame for such payments presently. There was no response received from the remaining 43 Parties.
5. Under item 7 b) iii) of the Summary Report of the 45th meeting of the Standing Committee on Payment of contributions by Parties

The Standing Committee directed the Secretariat (...) to indicate any possible sanctions which might be taken in respect of Parties with payments in arrears, taking into account the various procedures established by the Conference of the Parties, e.g. regarding the national legislation project, the non-submission of annual reports, etc.

6. Recommendation

In relation to the non-payment of arrears referred to in paragraph 4, the Secretariat recommends that the Standing Committee consider requesting the affected Parties to commit to a compliance action plan and transmit it to the Secretariat by 30 April 2002. Affected Parties should commit to having settled their arrears by 31 August 2002 unless the Party provides the Secretariat with a satisfactory justification as to why it cannot meet this deadline. The Standing Committee could consider the non-compliance actions discussed in the document SC46 Doc. 11.3 and advise the Secretariat on what action is to be taken for Parties that do not meet these compliance deadlines.

7. Annex 4 provides the information on accumulated Trust Fund balances.

8. Annex 5 provides an overview of the projected income to and expenditures from the Trust Fund in the biennium 2001-2002. CHF 6.830 million in contributions was received in 2001, out of which CHF 0.557 million was due for the years 1992-2000. The paid contributions for 2001 stood at CHF 6.196 million and the amount of CHF 76,449 was paid in advance for future years. Assuming that for 2002 contributions will be maintained at a payment rate of 84 per cent, which is the average received in the past four years, it is projected that the Trust Fund balance will be reduced to CHF 1.304 million at the end of the biennium 2001-2002. The Secretariat strongly appeals to the Parties to settle their unpaid contributions for the previous years as a matter of urgency, and to pay their contributions for the current year as early as possible in order to guarantee the financial liquidity of the Trust Fund.

9. A concern arises over the Trust Fund balance projected to be CHF 1.304 million at the end of the biennium 2001-2002. This balance is projected to cover the Secretariat's expenditures for the first three months only of the year 2003. However based on our year 2001 experience, only 27 per cent of Parties' contributions had been received by the end of May 2001. This was not problematic for the year 2001 since the accumulated Trust Fund as of the end of December 2000 enabled expenditures to be made with no effect on the Secretariat's workplan. However, the low balance available in 2003 will not enable expenditures to be carried then. In order to build up the necessary liquidity for 2003, the Secretariat will need to curtail its 2002 work programme if, by the end of May 2002, 50 per cent of the year 2002 contributions have not been received. To avoid this situation the Secretariat requests the Standing Committee to write to the Parties, whose percentage of the contribution to the CITES Trust Fund exceeds 5 per cent (namely France, Germany, Italy, Japan, the United Kingdom and the United States of America, whose annual contributions account for 72 per cent of the CITES Trust Fund), to ensure that their 2002 contributions to the CITES Trust Fund are paid before the end of May 2002.