

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

Fiftieth meeting of the Standing Committee
Geneva (Switzerland), 15-19 March 2004

Strategic and administrative matters

Financial and administrative matters

DEVELOPMENT OF CONTAINMENT STRATEGIES

1. In Resolution Conf. 12.1, the Conference of the Parties requests the Standing Committee to develop future budget containment strategies as follows:
 - a) facilitate the collection of arrears through innovative payment strategies and develop an approach for dealing with non-payment of contributions;
 - b) consider inviting bids for the relocation of the Secretariat to a lower cost location;
 - c) negotiate a reduction in the programme support costs from 13 per cent with the Executive Director of UNEP;
 - d) review overall travel costs and identify means to reduce expenditures;
 - e) review any CoP agenda items not requested by the Parties to ensure they are relevant to the meeting agenda;
 - f) consider increasing the minimum contribution to the CITES Trust Fund;
 - g) investigate options regarding a Host Country Agreement with Switzerland; and
 - h) review possible cost-saving measures related to translation and interpretation.

2. At its 49th meeting (Geneva, April 2003), the Standing Committee requested the Secretariat to prepare background documents on each of these items for discussion by the Finance Subcommittee at its next meeting. Additionally, the Standing Committee agreed to add to the list of containment strategies an item regarding the growing workload of the Conference of the Parties at its meetings.

Facilitation of the collection of arrears through innovative payment strategies
and development of an approach for dealing with non-payment of contributions

3. Article XI, paragraph 3 (a) of the Convention, authorizes the Conference of the Parties to adopt financial provisions to enable the Secretariat to carry out its duties. The Conference of the Parties, in every Resolution on financing and budgeting of the Secretariat and of meetings of the Conference, has encouraged the Parties to pay their assessed contributions on time.

4. To date, the Secretariat has employed a range of actions to facilitate the collection of contributions. The Secretariat sends requests to all Parties to pay their contributions before the beginning of the calendar year to which they apply. It also sends reminders at least three times a year to the Parties that have fallen into arrears with their contributions. The correspondence on financial issues is copied to the relevant permanent missions in Geneva.
5. Following a recommendation made by the Standing Committee at its 46th meeting (Geneva, March 2002), the Secretariat requested the Parties that were in arrears with their contributions to settle them by 31 August 2002 or to provide the Secretariat with an explanation as to why they were unable to meet the deadline, and to commit to a compliance plan and transmit it to the Secretariat by 30 April 2002. In addition, the Secretary-General met with the representatives of the Parties whose arrears are particularly high and requested them to do their utmost to have them settled.
6. In spite of the above measures 79 CITES Parties fell into arrears with their contributions over the period 1992-2003. The total unpaid contributions on 31 December 2003 stood at USD 847,567. Table 1 below presents the information on the number of Parties with arrears and the unpaid contributions for each year.

Table 1

Year	Number of Parties in arrears	Unpaid contributions to the CITES Trust Fund in USD
1992	10	6,326
1993	11	4,119
1994	14	6,335
1995	16	6,732
1996	18	25,884
1997	24	47,268
1998	27	34,578
1999	31	48,019
2000	36	72,783
2001	41	96,549
2002	53	156,505
2003	79	342,469
TOTAL	79	847,567

7. Nevertheless the experience gained over the past years suggests that a regular formal review followed by action to persuade Parties in arrears to rectify their situation may be effective. Below is a series of recommendations to improve the settlement of arrears that the Standing Committee might consider adopting:
 - a) The Secretariat should publish and regularly update information on the status of contributions of Parties to the CITES Trust Fund by posting it on the CITES website;
 - b) Parties that might be experiencing difficulties with meeting their financial contributions should present the reasons for this to the Standing Committee through the report of their regional representative in the Standing Committee, together with an indication of when payments might be expected;

- c) The Chairman of the Standing Committee, the regional representatives and the Secretary-General should, through the diplomatic channel, make contact with Parties in arrears to request the implementation of actions to be specified by the Standing Committee.
8. In addition, the Standing Committee might consider the possible actions to address non-compliance presented by the Secretariat in document CoP12 Doc. 26, such as:
- a) Suspension of rights and privileges (recommended suspension of trade in specimens of one or more CITES species or for all CITES species, restriction of the right to vote at one or more meetings of the Conference of the Parties, ineligibility of a Party to be a member of the Standing Committee, loss of the right of a Party and its experts to participate in other permanent committees, working groups, etc., ineligibility of a Party to receive documents for meetings); and
 - b) Financial penalty (ineligibility of a Party to have its participation in a meeting of the Conference of the Parties funded by the Convention, ineligibility of a Party to receive other financial assistance from the Convention).
9. With regard to the above possible measures for dealing with non-payment of contributions, the Secretariat notes the negative consequences some of them might have on the implementation of the Convention. It further notes that the lack of political will rather than the lack of capacity generally seems to be the most common reason for non-payment.

Considering inviting bids for the relocation of the Secretariat to a lower cost location

10. In spite of higher costs associated with the Geneva duty station compared to some other locations, the Convention greatly benefits from the current location of the Secretariat. Geneva as a major United Nations centre is a venue for many international meetings and conferences related to the environment, trade and sustainable development. The Secretariat's location in Geneva enables it to participate in these meetings at no cost. The presence of diplomatic missions of nearly all countries greatly facilitates contacts with the Parties. Furthermore Switzerland is the Depositary Government of the Convention and also a location for various organizations dealing with trade and environmental issues, such as IUCN – The World Conservation Union, WWF, the World Trade Organization, the Secretariat of the Ramsar Convention and various UN environmental conventions and bodies with which the Secretariat coordinates its programmes to avoid duplication of activities and ensure cost efficiency.
11. This issue was discussed at the 49th meeting of the Standing Committee. No country has formally requested the transfer of the Secretariat to another location.

Negotiating a reduction in the programme support costs from 13 per cent with the Executive Director of UNEP

12. The CITES Trust Fund is administered by the Executive Director of UNEP pursuant to the Financial Regulations and Rules of the United Nations. The 13 per cent programme support cost is charged in accordance with General Assembly Resolution 35/217 of 17 December 1980. The rationale behind this provision is to ensure that activities financed from contributions to trust funds do not cause an additional administrative burden to the regular budget of the United Nations or, in the case of UNEP, to the Environment Fund.
13. Nevertheless the United Nations has agreed to apply a lower percentage for indirect programme support costs for projects financed from the contributions of the European

Commission. A new schedule for indirect programme support costs applicable on the Commission's contributions was negotiated in recognition of the constraints on the European Commission regarding the usual 13 per cent programme support costs, and on the understanding that additional programme support costs can be built into a project in the form of direct costs.

14. The adequacy of the 13 per cent support charge levied on trust fund expenditures has been the subject of perennial debates in different fora. The Executive Director of UNEP has recently commissioned the United Nations Office of Internal Oversight Services (OIOS) to carry out an evaluation of administrative services provided to UNEP-administered secretariats of conventions, including CITES. The main focus of this study is to identify the current status of administrative arrangements, the costs of administrative services rendered to the Convention and possible alternatives for the future.
15. The Secretariat therefore proposes that negotiations with the Executive Director of UNEP regarding the possible reduction in the programme support costs be deferred until the completion of the OIOS report.

Reviewing overall travel costs and identifying means to reduce expenditures

16. Conditions and modalities of official travel of the Secretariat are governed by the Staff Rules and Regulations of the United Nations and relevant administrative instructions with a view to ensuring cost effectiveness. Travel is authorized for the most direct and economical route taking full advantage of any available excursion fares. In fact the Secretariat benefits from the negotiated UN fares offered by major airlines to UN organizations for all travel from Geneva. In general only one member of staff is authorized to travel for the same purpose with the exception of meetings of the Conference of the Parties, the Standing Committee and technical committees which have to be attended by more than one staff member.
17. The Secretariat undertakes technical assistance missions at the request of individual Parties to assist them in the implementation of the Convention and capacity building. Whenever possible the Secretariat ensures that the cost of such missions is partially or fully refunded by the Parties concerned.
18. A reduction in the overall travel costs would be achieved by convening all meetings of the Conference of the Parties, Standing, Animals and Plants Committees in Geneva only. However, the Conference of the Parties has not accepted this approach to date. The Secretariat notes that participation from developing countries would be adversely affected if all meetings of the Conference of the Parties and the permanent committees were convened only in Geneva.

Reviewing any agenda item for a meeting of the Conference of the Parties not requested by the Parties to ensure they are relevant to the meeting agenda

19. This part of the Resolution in fact makes no sense because it asks the Standing Committee to ensure that the CoP agenda is relevant to the CoP agenda. It can not be irrelevant. The Secretariat believes that the intention was simply to request the Committee to check that items not placed on the agenda by the Parties – and therefore placed on the agenda by the Secretariat – are appropriate.
20. In fact the Secretariat always presents the draft CoP agenda to the Standing Committee well before the meeting of the Conference, and therefore the Committee has always had the possibility to question the Secretariat regarding items that it has added and to request it

to remove items considered inappropriate. This will continue to be the case. The Secretariat has however still the possibility to add items to the draft agenda in cases where it is really necessary. The Committee might consider that this should be done only after consultation with the Chairman of the Standing Committee.

21. It should also be borne in mind that the draft agenda is presented for adoption at the start of each meeting of the Conference of the Parties so that Parties have the possibility to eliminate from the draft agenda at that time any item added by the Secretariat that they consider inappropriate.

Considering increasing the minimum contribution to the CITES Trust Fund

22. The Secretariat has reviewed the scales of assessment other United Nations conventions and protocols, such as the Basel Convention, CBD, CMS, the Montreal Protocol, UNCCD, UNFCCC and the Vienna Convention, used for calculating their Parties' contributions. These organizations apply the United Nations scale for calculating their Parties' contributions. However the Basel Convention, Montreal Protocol and Vienna Convention do not require any contributions from Parties that are under the threshold of 0.01 per cent on the United Nations scale of assessment.
23. Parties' contributions to the CITES Trust Fund are 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. Some least developed countries party to CITES pay a minimum assessment rate of 0.001 per cent of the budget and no single Party pays more than 22 per cent of the budget.
24. The minimum contributions to the CITES Trust Fund based on the assessment rate of 0.001 per cent amount to USD 47 per annum for the triennium 2003-2005. As a result, the Secretariat's resources needed to follow up and administer individual contributions from a Party would sometimes exceed the contributions payable.
25. The Standing Committee might consider increasing the current minimum assessment rate to the CITES Trust Fund to 0.01 per cent for all least-developed countries. This increase would be in compliance with the decision adopted by the General Assembly that a maximum assessment rate for the least developed countries should not exceed 0.01 per cent. Another option that the Standing Committee might consider is establishing a minimum level of annual contributions of USD 1,000. Table 2 below indicates how many Parties would be affected by the change of the scale of contributions and how the current level of contributions payable by affected Parties would change for two presented options.

Table 2

Number of Parties	Current level of contributions per annum		Expected level of contributions under the proposed option		Difference in level of contributions
	USD	USD	USD	USD	
Parties paying less than 0.01 of the budget	77	12,892	36,190	23,298	
Parties paying less than USD 1,000 per annum	93	24,704	93,000	68,296	

Investigating options regarding a Host Country Agreement with Switzerland

26. The agreement on privileges and immunities of the United Nations concluded between the Swiss Federal Council and the Secretary-General of the United Nations on 19 April 1946 determines the privileges and immunities granted to the United Nations, to the representatives of its member and to its officials. It also regulates other matters related to the status of the United Nations in Switzerland.
27. All UNEP offices and UNEP-administered convention secretariats, present in Geneva, including the CITES Secretariat, are covered by the 1946 UN Host Country Agreement and enjoy all privileges extended to the United Nations Secretariat by the Host Country.
28. The view of the Swiss Government is that, considering the legal status of the CITES Secretariat and the existing Host Country Agreement with the United Nations, the conclusion of a separate Host Country Agreement with CITES is not possible.
29. However, separate location agreements have been negotiated and it is recommended that the Standing Committee negotiates such an agreement for CITES.

Reviewing possible cost-saving measures related to translation and interpretation

30. The Action Plan of the Strategic Vision of the Convention stresses the need for ensuring equity of the three working languages of the Convention. The Secretariat ensures that all meetings of the permanent Committees are interpreted in all three working languages and that all documents are made available in the three working languages.
31. At present the Secretariat has two full-time translators on its staff. The translators' posts were established by the Conference of the Parties at its seventh meeting, in 1987, but were not filled until 1994 owing to budgetary constraints. These two staff members translate all CITES documents with the exceptions of peak periods when the workload is excessive and the use of external translators is required. The current arrangement has proven to be very efficient and practical. The in-house translators produce good quality translations into French and Spanish as well as revise the translations done externally, thereby alleviating the rest of the Secretariat staff from this task. An alternative arrangement, such as paying external translators to do all CITES translation might be less costly but would lower the standard of the documents in French and Spanish. Moreover it could cause delays as there would be no guarantee of having translators available when needed to deal with priorities or the numerous short texts (e.g. for the website).
32. The Secretariat contracts external freelance interpreters for servicing CITES meetings. In line with the Financial Regulations and Rules of the United Nations, contracts are awarded by the Secretariat on the basis of effective competition ensuring the lowest costs. A further reduction of the interpretation costs could be achieved if all meetings of the Conference of the Parties and the Animal and Plants Committee were convened in Geneva. The availability of the interpreters in Geneva or close locations such as Paris would reduce the cost associated with the interpreters' travel to the venue of the meeting.

Growing workload of the Conference of the Parties at its meetings

33. Concern has been expressed about the increasing number of documents to be considered at meetings of the Conference of the Parties. These are of two main kinds: proposals to amend Appendices I and II; and working documents (regarding administrative and strategic matters and regarding interpretation and implementation of the Convention).

34. The proposals to amend Appendices I and II are submitted by individual Parties. This is their right under Article XV of the Convention. Guidance regarding the submission of such proposals is provided in Resolution Conf. 9.24 (Rev. CoP12). This Resolution does not specifically recommend that Parties show restraint but, by specifying what proposals must contain and establishing criteria for the inclusion of species in Appendices I and II, it probably does help to reduce the number of inappropriate or unnecessary proposals being submitted. It would be difficult to go further to reduce the number of proposals to be considered.
35. With regard to the working documents, those of an administrative nature are generally unavoidable: adoption of the agenda and working programmes, reports of Committees and so forth. The majority of other documents result from processes established by the Conference of the Parties. An important number of the documents at each meeting are submitted by individual Parties on their own initiative. For example, at the 12th meeting of the Conference of the Parties, there were 96 items and sub-items on the agenda requiring substantive discussion. Of these, 30 were included at the request of individual Parties. A few documents only are provided at the initiative of the Secretariat.
36. The matter of the documents prepared at the initiative of the Secretariat is dealt with in paragraphs 19 to 21 above. This leaves the documents that are produced as a result of processes established by the Conference of the Parties and the documents submitted by individual Parties.
37. One notable area of proliferation of documents at meetings of the Conference of the Parties is in connection with species-specific issues. The Secretariat has previously suggested that most of the issues raised relate to general problems of implementation of the Convention. It believes that time and resources would be used more effectively by dealing with these implementation problems in general rather than dealing with the same problems in connection with one species after another. The Standing Committee might consider recommending that the Resolutions and Decisions regarding species-specific issues be consolidated and generalized and that in future such texts not be adopted except where the implementation problems are unique to the species concerned and require attention as a priority.
38. Regarding the need to show restraint in proposing and adopting additional work, it would be appropriate for further suggestions to come from the Parties rather than the Secretariat.