

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

Sixth Meeting of the Conference of the Parties

Ottawa (Canada), 12 to 24 July 1987

Financing and Budgeting of the Secretariat and of Meetings  
of the Conference of the Parties

ANTICIPATED EXPENDITURE FOR 1987

This document has been prepared by the Secretariat.

1. At the 14th Standing Committee meeting held in Ottawa in October 1986, the Secretariat presented a revised estimated cost for 1987 (document Doc. SC. 14.3 Annex 3) forecasting a deficit of approximately US\$ 100,000 against the budget approved at the fifth meeting of the Conference of the Parties in Buenos Aires in 1985. In accordance with the Terms of Reference for the Administration of the Trust Fund, the Standing Committee was requested to sanction expenditure exceeding the approved budget in line with the revised estimate. The Standing Committee, whilst approving the revised estimate for 1986 and notifying the Executive Director for the same, felt, however, that the 1987 estimate should be presented at the 6th meeting along with suitable proposals from the Secretariat to avoid such crises in the future.
2. The revised estimated budgets presented to the 14th Standing Committee were based on the average rate of exchange for the US dollar against the Swiss franc, established at the beginning of each month by United Nations, for 1986, which was 1.80. The current market rate, as at 1 May 1987, is 1.45 while the UN official rate is at 1.48. The budget approved by the Parties in Buenos Aires for 1987 was based on the rate of 2.64.
3. While the loss in the purchasing power of the US dollar has been to the extent of approximately 40 percent, the present proposal from the Secretariat represents an increase of approximately 28 percent only. In Annex 2 of this document is given a rationale of the exchange rate consequences and what it means in terms of the budget approved.
4. The Secretariat has prepared a projected status of funds report as at the end of the year 1987 (Annex 3).
5. As can be seen from Annex 3, the Trust Fund would have exhausted the reserve from previous years' savings. This means that the Trust Fund cannot bear any further burden imposed due to the vagaries of the international currency market. Already, in early 1987, due to this precarious situation, and the delayed contribution from many states, the Trust Fund did not have the funds to cover certain items approved in the budget. In fact, in April of 1987, the Executive Director of UNEP, faced

with the prospect of not being able to pay the salaries of the staff or hold the 6th meeting of the Conference of the Parties, exceptionally advanced monies from the Environment Fund to cover these costs. The Executive Director further addressed a letter to all the Parties highlighting this difficult situation and soliciting their co-operation in giving priority to discussion of this critical financial situation at the 6th meeting and in fulfilling their obligations to contribute as early as possible (see Annex 4).

6. In conclusion, the Secretariat has elsewhere (document Doc. 6.11) included possible procedures to re-build the capacity of the Trust Fund to bear such shocks. However, the situation perhaps calls for some exceptional measures by Parties and for co-operation from Parties in resolving this problem at the earliest opportunity.
7. The revised estimate for 1987 is presented in Annex 1, in line with the United Nations budget codes.

REVISED ESTIMATED COSTS FOR 1987

(in US\$)

<u>Budget line &amp; Description</u>	<u>Budget approved</u>	<u>Rev. estd. Expend.</u>
<u>10. PROJECT PERSONNEL</u>		
11. Professional staff 48 w/m (P.5, P.4, P.3, P.3)	247,000	286,700
12. Consultants	5,000	4,000
13. Admin. Support staff		
01. GS staff: 60 w/m	132,700	216,700
02. Conf. Servicing staff <sup>1</sup> /		120,000
13.99 Total	<u>132,700</u>	<u>336,700</u>
16. Travel on official business	18,000	23,000
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19. COMPONENT TOTAL	402,700	650,400
<u>20. CONTRACTS</u>		
21.01. Checklist	20,000	20,000
02. WTMU	44,000	56,000
03. IUCN/Bonn		8,000
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29. COMPONENT TOTAL	64,000	84,000
<u>30. TRAINING</u>		
32. Group Training		
01. Standing Committee	25,000	25,000
02. Conf. of the Parties	120,000	(see 13.02) <sup>1</sup> /
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39. COMPONENT TOTAL	145,000	25,000
<u>40. EQUIPMENT</u>		
41. Expendable-stationery etc.	2,750	7,000
42. Non-expandable equipment	7,300	5,000
43. Rental of Premises, etc.	18,250	40,000
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49. COMPONENT TOTAL	28,300	52,000

<u>Budget line &amp; Description</u>	<u>Budget approved</u>	<u>Rev. estd. Expend.</u>
<u>50. MISCELLANEOUS</u>		
51. Rental & Maint., equipment		
01. Computer	3,650	7,000
02. Photocopier	13,750	22,000
03. Insurance & others	7,450	2,000
51.99. Total	<u>24,850</u>	<u>31,000</u>
52. Reporting Costs		
01. Identification Manual		
02. Conf. Proceedings	12,750	
03. Security Stamps	-	18,000
04. Documents		
52.99. Total	<u>12,750</u>	<u>18,000</u>
53. Sundry		
01. Communications	23,100	45,000
02. Freight, bank charges, etc	5,000	7,000
04. Others		
53.99 Total	<u>28,100</u>	<u>52,000</u>
54.00. UNEP - Programme Costs	91,741	117,600
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59. COMPONENT TOTAL	157,441	218,600
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99. GRAND TOTAL	797,441	1,030,000
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1. Explanations:

1. Exchange rate used: US\$ 1 = SFR 1.50.
2. Consultants: Mainly for travel of Information consultant whose fee is being covered by UNEP.
3. Budgetline 52: A provision has been made in the budget for security stamps. Although governments are sent invoices to cover printing costs, collections until now have been so negligible (US\$ 3,872 for 1985-86 against invoices for US\$ 12,000.) that the Secretariat will be unable to pay for the stamps from such collections.

EFFECT OF DOLLAR RATE FLUCTUATION ON 1987 BUDGET

1. Budget approved at fifth meeting for 1987	US\$	797,441
2. Portion utilized in dollar payments	US\$	374,741
3. Portion utilized for Sfr payments	US\$	422,700
4. Rate of exchange used at fifth meeting		2.64
5. Item no. 3. converted to Sfr equivalent, applying the then-existing rate of exchange (2.64)		1,115,928
6. US\$ equivalent of item no. 5 applying current rate (1.45)	US\$	769,605
7. Adjusted approved budget (items 2 + 6)	US\$	1,144,346
8. Present proposal (i.e. document Doc 6.9 Annex 1)	US\$	1,030,000
9. Savings being effected	US\$	<u>114,346</u>
10. Percentage increase of adjusted budget against approved budget (i.e. item 7 - 1 )		43.5%
11. Increase being proposed by Secretariat		29.0%
12. Savings being effected		14.5%

Note:

1. The rate of exchange applied refers to an average monthly rate taking into account the last 12 months. Thus, the average for the last 12 months (UN official rates, for period June 1986-May 1987) was 1.64. However, the Secretariat, foreseeing a further decline in the dollar value, has used 1.45 as the estimated average rate for 1987.

STATUS OF CITES TRUST FUND AS AT 31 DECEMBER 1987

(in US\$)

A. Surplus Funds as at 31.12.1986	278,940
Contributions expected during 1987	650,000
Interest expected for 1987	50,000
A. TOTAL ESTIMATED INCOME	<u>978,940</u>
B. Projected expenditure for 1987	912,400
Programme support costs for 1987 (estimated)	117,600
B. TOTAL ESTIMATED EXPENDITURE	<u>1,030,000</u>
C. ESTIMATED DEFICIT AS AT 31.12.1987	<u>51,060</u>

Note:

1. Budget approved at fifth meeting	705,700
2. Programme Support costs approved	91,741
3. Total expenditure (approved)	<u>797,441</u>



UNITED NATIONS ENVIRONMENT PROGRAMME  
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT



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P.O. Box 30682,  
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Your Reference:

Our Reference: FUND 750

22 April 1987

Sir,

I have the honour to refer to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and to my letter to you dated 26 February 1987.

Unfortunately, the financial circumstances described in my letter have not improved and the situation has become critical: there is now no money in the trust fund to pay salaries of the Secretariat or to finance the Meeting of the Conference of the Parties scheduled to be held in Ottawa, Canada, from 12-24 July 1987. Nevertheless, in view of the importance of this meeting, I have decided as an interim measure to advance the necessary monies required to service the Conference and to pay Secretariat salaries up to the end of July from the Environment Fund, on the basis, firstly, that the critical financial situation of the trust fund is given full discussion as a matter of priority in Ottawa and, secondly, that the Environment Fund will be reimbursed from the CITES Trust Fund when contributions have been received.

May I once again impress upon you, the urgent need for your Government to pay its financial contribution to the Trust Fund of the

This letter has been sent to the official channels of communication of the countries as per attached list, plus copy to Focal Points and Res. where applicable.

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Convention on International Trade in Endangered Species of Wild Fauna and Flora as soon as possible, so that the Convention of CITES can continue to play the important role given to it by the international community in encouraging the wise use of natural wildlife resources.

Accept, Sir, the assurances of my highest consideration.

*Mostafa K. Tolba*  
For Mostafa K. Tolba  
Executive Director

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