

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



Nineteenth meeting of the Conference of the Parties
Panama City (Panama), 14 – 25 November 2022

Administrative and financial matters

Administration, finance and budget of the Secretariat
and of meetings of the Conference of the Parties

ADMINISTRATION OF THE SECRETARIAT

1. This document has been prepared by the Secretariat.
2. The present document highlights the administrative performance of the Secretariat since the latest Standing Committee meetings (SC74, Lyon, March 2022 and SC73, online, May 2021) and should be read in conjunction with the Secretariat's report on financial matters (see document CoP19 Doc. 7.3).

Host country agreements for the Secretariat

3. Further to the report given at SC74 (see document [SC74 Doc. 10.1](#)), the Secretariat is grateful to inform Parties that a draft donor agreement for the Convention Support from Switzerland has been discussed. The agreement includes a contribution of CHF 1 million per year for the period 2023-2025 for activities related to sub-heading items B to E of the programme of work of the Secretariat. The final donor agreement is expected to be signed by mid-2022.
4. The Secretariat continues to engage in consultations with senior Swiss officials on the priority activities of the Secretariat's programme of work for the use of the annual contribution.

Staffing situation

5. As per the indicative staffing table for the Secretariat for the period 2020-2022, there are 23 posts funded from the Core Trust Fund (CTL), 3.25 posts funded from the Programme Support Cost (PSCV) and 12 project posts for the External Trust Fund (QTL).
6. In line with Resolution Conf. 18.1, paragraph 37, and remaining within the overall staffing budget, the Secretary-General has used her authority to make staffing decisions as required during the period.
7. Since SC74, several staff changes have taken place and the below table shows the recruitments made during this period.

Name	Functional title	CITES Unit	Funding source
Ms. Victoria Barnes	Programme Management Assistant, GS	Outreach and Projects Unit	External Trust Fund (QTL) with co-funding from the European Union and Switzerland (from 1 April 2022 for one year)
Ms. Tanya McGregor	MIKE Coordinator. P-4	Outreach and Projects Unit / MIKE team	External Trust Fund (QTL) from the European Union (from 6 June 2022 on temporary appointment)

Mr. David Ochanji	Finance and Budget Assistant, GS	Outreach and Projects Unit / MIKE team	External Trust Fund (QTL) from the European Union (from 11 June 2022 on maternity leave replacement for 7 months)
Ms. Daisy Muinamia	Finance and Budget Assistant, GS	Outreach and Projects Unit / MIKE team	External Trust Fund (QTL) from the European Union (from 27 June 2022)
Vacant following retirement by 31 May 2022	Documents Assistant, GS	Governing Bodies Unit	Core Trust Fund (CTL) (selection to be finalized and staff is expected to be on-boarded by 1 August 2022)
Vacant following retirement by 30 September 2022	Programme Management Officer, P-3	Outreach and Projects Unit / MIKE team	External Trust Fund (QTL) from the European Union (job opening 179884 - advertised during 24 May – 7 July 2022)

8. Since mid-February 2022, the Secretariat has operated on full incumbency on its core funded positions and will continue to ensure that all vacancies are filled either by regular or temporary recruitment via the UN system Inspira.
9. In addition to the core and project funded positions, the Secretariat has relied on secondments through the Junior Professional Officer programme through the United Nations Environment Programme (UNEP) until August 2022. As reported in document SC74 Doc. 10.1, the six (6) new proposals submitted to UNEP related to areas in enforcement, compliance, project management, communication and information system still remain unsponsored. The Secretariat is also fortunate to have enjoyed the services of highly qualified interns who have applied to work at the CITES Secretariat through the UN internship programme.

Administrative changes introduced by the United Nations Environment Programme (UNEP)

10. As reported in document SC74, Doc 10.1, several administrative changes and policies have been developed and introduced by UNEP since late 2019 as per below details which are shown in chronological order:
- a) Private partnership policy adopted in October 2019;
 - b) Programme Support Cost Policy on its allocation and usage note was presented by UNEP in August 2021 including outstanding invoices from the UN Office at Geneva (UNOG) as per the Annex to this document;
 - c) Umoja extension 2 deployment of modules related to project management from September 2021; and
 - d) New [Delegation of Authority Policy and Framework](#) for the management and administration of Multilateral Environmental Agreements in effect from 15 September 2021 posted on the CITES website.
11. Further review and cost estimates regarding the programme support cost allocation and usage including higher Umoja costs with a new policy to charge per staff member will be included in the Secretariat's document on budget and programme of work for the period 2023-2025 (see document CoP19 Doc. 7.4).

Audit by the Office of Internal Oversight (OIOS)

12. Further to document SC74 Doc. 10.1, the Secretariat has continued to work on the nine (9) recommendations from the audit conducted by OIOS during the period January to June 2021 for the audit period 1 January 2018 to 31 December 2020. Two of the recommendations related to finance and administration (items 8 and 9) have been completed and reported upon through UNEP in early 2022.
13. Some of the outstanding recommendations will require additional resources including staffing which will be reflected in the incremental growth scenario of the Secretariat's budget and programme of work for the period 2023-2025 document (see document CoP19 Doc. 7.4).

Recommendation

14. The Conference of the Parties is invited to take note of this report.

NOTE BY UNEP TO CITES FINANCE AND BUDGET SUBCOMMITTEE
ON THE ALLOCATION AND UTILIZATION OF PROGRAMME SUPPORT COSTS

Background

1. CITES secretariat management in their report to COP-18 submitted that USD 200,000 being bills of common services for their office (largely security costs plus other services charged by third parties) had not been settled. The parties sought clarity regarding the sharing of programme support income between UNEP and CITES secretariat, and settlement of bills.
2. CoP18 resolution, 18.1 on “financing and costed programme of work for the Secretariat for the triennium 2020-2022” and paragraph 5 requested the Secretariat to liaise with the United Nations Environment Programme (UNEP) in order for UNEP to provide to the Standing Committee at its 73rd meeting the cost allocation of the share of the Programme Support Costs and information on the common services breakdown, recalling the Memorandum of Understanding between the Standing Committee and the Executive Director of UNEP concerning the provision of Secretariat services to the Convention. This note has been prepared in response.
3. UNEP and CITES Secretariat have jointly reviewed all administrative bills and identified those still outstanding of USD 232,309.
4. This note has been prepared to provide some background on how administrative costs are funded and the proportions charged between UNEP and MEA secretariats, including CITES, and to propose settlement of the common services bills still outstanding.
5. According to the MOU signed between UNEP and CITES Standing Committee in August/September 2011, paragraphs 17 and 18 prescribe the sharing methodology of PSC funding central administrative services, including those performed by UNON and OIOS. UNEP’s Executive Director continues to allocate an appropriate share of program support income, not less than 67%, to the Secretariat for settlement of common administrative costs. The balance of 33% is retained by UNEP to meet core administrative costs incurred by the Multi-lateral Agreements (MEAs) and Divisions.

Classification of Administrative costs

6. Since the adoption of Umoja in 2015, administrative costs are classified into two broad categories: core costs and common costs. Therefore, the definition of central administrative costs as defined in the 2011 MOU needs to be interpreted in this context as explained in paragraphs 7 and 8 below.
7. Core costs, are predominantly overhead indirect costs, such as policy related expenses pertaining to Finance, Human Resource, Procurement amongst other administrative services. Costs arising from the *standard periodic audits* for both Office of Internal Oversight Service (OIOS) and Board of Audit (BOA) are also classified under core costs. These costs are settled centrally by UNEP’s Corporate Services Division from the 33% allocation of PSC. The detailed list of core costs which are centrally settled by UNEP Corporate Services, though not exhaustive, is attached as Annex I.
8. Common costs, on the other hand, also known as direct costs, are *directly attributable to an MEA and incurred in the course of program execution*. Common costs include those pertaining to services provided by third parties other than UNEP such as rent, utilities, security, administrative staff costs, pouch, IT, communication expenses as well as costs arising from special audits or investigations etc. These costs are settled from the 67% allocation of Program Support Service allocated to the MEA.

Umoja costs

9. The new Enterprise Resource Planning tool (ERP), Umoja, processes all administrative business transactions from a common platform. This comes with associated license fee cost that is recovered by UNHQ based on a predetermined formula; presently, the number of active staff members provisioned to

use the application. This cost is settled by all entities serviced by Umoja including UNEP. Umoja related transactional costs are classified as common or direct costs due to their nature because they are directly incurred by MEAs and thus settled from their share of 67%. These transactional costs include payroll, financial, human resource, procurement and other administrative business processes.

10. There has been a recent increase in the Umoja license fee that is borne by all UNEP offices including MEAs due to a change in the cost apportionment formulae; currently determined by the number of staff provisioned to use the ERP. The entire CITES Secretariat staff has been granted access to Umoja in order to process mandatory administrative requirements such as annual leave and other programmatic processes.
11. This increased cost has been settled from the program support share allocated to the offices, CITES included. A request is hereby made to consider charging this recurring cost to core assessed funds thereby alleviating the existing burden on the program support cost resource.

Recommended Action

12. The Standing Committee to:
 - a. To take note of the evolution of central administrative costs following the adoption of Umoja, in particular, the classification into **core** and **common** administrative costs, to be interpreted and applied in the new context.
 - b. Authorize the settlement of bills still outstanding since 2018.
 - c. Consider recommending supplementary funding of future administrative costs from core budget whenever PSC is inadequate.

SUMMARY OF BILLS 2018-2021

A BILLS SETTLED FROM CORE BUDGET

Category	2018	2019	2020	2021	TOTAL
Rent	78,753	78,819	78,253	0	235,824
Security	45,013	50,718	48,021	0	143,752
TOTAL	123,765	129,537	126,274	0	379,576

B BILLS OUTSTANDING

Category	2018	2019	2020	2021	TOTAL
Other Services	75,892	85,968	54,680	15,769	232,309
TOTAL	75,892	85,968	54,680	15,769	232,309

Annex I

UNEP's core services in support of the Convention on International Trade in Endangered Species of Wild Flora and Fauna

The table below provides the list of core administrative and support services provided by United Nations Environment Programme (UNEP) in support of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES). Core administrative and support services are those services provided by UNEP against the 33% share of the programme support costs income attributable to all CITES trust funds. The list of core services is not exhaustive and may include additional core services, that may arise due to changes occasioned by administrative developments including but not limited to those arising from the implementation of Enterprise Resource Planning (ERP) systems. The table below is without prejudice to the delegation of authority from the Executive Director of UNEP to the Executive Secretary of CITES.

Service Category	Description
Policy, guidelines, and procedures	<p>All policies concerning administrative arrangements are governed by the United Nations General Assembly resolutions and those of United Nations Environment Programme's governing body. United Nations Financial Regulations and Rules supplemented by Multilateral Environmental Agreements' and entities' financial procedures or rules ensure effective and efficient use of resources in accordance with the purposes for which funds are provided, within authorized limits and available income. The United Nations Financial Regulations and Rules also regulate the organization's procurement activities.</p> <p>United Nations Staff Regulations and Rules set the framework within which United Nations Environment Programme's personnel, including different categories of staff members, consultants, and independent contractors, are recruited, and administered.</p> <p>United Nations Secretariat policies supplement and provide details on the implementation of the resolutions and regulations. They are embodied in United Nations administrative issuances i.e. Secretary-General's Bulletins, Administrative Instructions and Information Circulars which may be further interpreted and translated into guidelines and procedures for day to day operations.</p>
Human Resources	Recruitment and performance management.
<i>Talent Acquisition and Management</i>	Developing staffing plans and implementing related recruitment activities namely classification, vacancy announcement, assessments, evaluation, review, and selection.
<i>Staff Administration</i>	Advise on staff, on-boarding administering contracts, processing entitlements and benefits, review, and update of dependency status, leave records, lateral move, separation from service etc. Advise on Administering end-of-service and post-retirement benefits including pension fund deductions and After Service Health Insurance scheme.
<i>Staff development and training</i>	<p>Mandatory online ethics and integrity training, competency based interviewing skills, management development programme etc.</p> <p>Identify capacity building needs and provide opportunities for continuous learning with a view to build a multi-skilled workforce promoting career development for staff. These include in-house developed training modules on Results Based Management and Gender Mainstreaming, among others.</p>
<i>Performance Management</i>	Implementing and monitoring compliance with performance management policies, process, and tools (INSPIRA) to reward/recognize/retain staff and address underperformance. Supporting rebuttal process guidance and conducting training on writing workplans and performance assessments. Managing the Financial Disclosure programme.

Budget and Finance	Review, management, oversight and reporting of budgets and financial resources of the governing bodies and donors.
<i>Budgeting / Fund Management</i>	<p>Review, support on presenting and justifying budgets to the governing bodies. Process budgetary authorizations and financial transactions. Advise staff, management, and governing bodies on the use of financial resources.</p> <p>Create, maintain, and close Trust Funds.</p>
<i>General Accounting / Financial Statements</i>	<p>Authority to sign the consolidated financial statements rests with the Executive Director. Extracts from the consolidated statements are signed by UNON.</p> <p>Maintenance of accounts and preparation of Financial Statements including the Programme Support account. Advise on processing accounting entries/adjustments including donor refunds; year-end accruals; statutory reporting and support to the annual external audit.</p>
<i>Payments / Expenditure</i>	Advise on the processing of payments to Implementing Partners, consultants, vendors, and meeting participants as well as advise on monitoring advances and recording expenditures from financial reports received from Implementing Partners.
<i>Payroll</i>	Advise on processing payment of salaries, entitlements, related advances, and maintenance of payroll accounts.
<i>Contributions /Cash Management</i>	<p>Authority to accept contributions from the Parties rests with the United Nations Environment Programme Executive Director.</p> <p>Advise on issuance of invoices to Parties, recording and monitoring contribution receivables, processing contributions upon receipt of payments; reconciling applied deposit accounts.</p>
<i>Treasury/Banking/ Investment</i>	Advise on the receipt and disbursement of funds, House Bank management, bank reconciliations, maintenance of banking details for staff, vendors, implementing partners and consultants. Investment of United Nations Environment Programme funds in the right products is managed by UNHQ Treasury.
<i>Oversight</i>	Coordinate internal audit, investigation, inspection, and external audit.
Legal	Legal advice, opinions, and representation in the Internal Justice System.
<i>Advisory and Representation</i>	<p>Provision of corporate legal advice and institutional support.</p> <p>Representing the organisation before the Management Evaluation Unit with regards to requests filed by staff members. Representing the organisation at the United Nations Dispute Tribunal (UNDT) and provision of support to the Office of Legal Affairs with regards to appeals filed at the United Nations Appeals Tribunal.</p> <p>Negotiating settlements of claims; provision of legal support and advice in mediation, reconciliation, and arbitration.</p> <p>Legal and institutional support in disciplinary procedures; provision of legal advice in cases of alleged misconduct and relevant investigations.</p> <p>Reviewing and clearing Host Country Agreements and legal instruments in accordance with the Delegation of Authority Policy and Framework for the Management and Administration of Multilateral Environmental Agreements.</p> <p>Provision of legal advice on human resources issues e.g., interpretation of the Staff Regulations and Rules, advise on outside activities, separation from employment, settlements.</p> <p>Coordinating audits, inspections and evaluations undertaken by the Office of Internal Oversight Services.</p> <p>Providing advice on engaging with implementing partners, provision of templates for this purpose.</p>

Support Services	Services to support operations including office space, premises, host country arrangements and protocols.
<i>Contracts and Procurement</i>	Supervising procurement related functions and providing advice on procurement proposals of significant financial or operational impact; reviewing the proposed strategy/approach to best serve office's interests. Providing oversight over the service providers. Representation at the High-Level Committee on Management Procurement Network on development of policies and procedures of interest to the office. Liaising with the contracts committee for the preparation and presentation of cases for approval and addressing to follow-up queries. Provision of general contract administration services including amendment, extension, or closure.
<i>Inventory / Asset Management</i>	Provision of services to manage inventory of equipment items and assets including bar coding, maintain records and track movement of items; conduct physical inventories; process the disposal of obsolete and unserviceable items.
<i>Travel, Shipping and Visa</i>	Providing advice on developments in Secretariat travel policies and procedures. This includes advice on shipping services, handled through external vendors under contracts encompassing all aspects of incoming and outgoing official shipments of organizational goods and property as well as staff members' personal effects during recruitment, transfer and separation.
<i>Facilities Management</i>	Advising on the provision of comfortable and efficient working environment for the staff.
<i>Mail Pouch</i>	Advising on different mail services i.e postal, international express courier and diplomatic pouch, including but not limited to cost, transit days, document preparation, etc.
<i>Archives/Document Management</i>	Advising on and overseeing the implementation of policies for the management of archives in accordance with established archival standards and practices. Advise on Maintaining and managing archives.
<i>Enterprise Resource Programme (ERP) – Umoja</i>	Advising on all aspects of workflow analysis, business process reengineering and organizational transformation. Managing core transformational activities connected to the Umoja implementation and system life cycle. Providing training and guidance on Umoja functionality, access, and modality for the execution of administrative processes.
<i>Enterprise Risk Management (ERM) and Internal Controls</i>	Implementation of the United Nations Secretariat ERM policy and framework, its monitoring and development. Advise on developments and activities related to the life cycle of ERM. Liaison directly with the UN Secretariat's Department of Management for all issues relating to ERM and IC implementation and update of the ERM treatment plan.
Information and Communications Technology	Computing, telecommunications, office automation, infrastructure support including electronic mail as well as consulting, advisory and help desk services.
<i>ICT Infrastructure and services</i>	Advising on the Provision of secure infrastructure services such as internet connectivity and Wi-Fi access; local area network and systems directory services; office computer, standard software productivity tools and security software; email, file storage and sharing, print, IP telephony; computer and video conference services. Provision of cloud and on-premise hosting services for websites, software applications, and databases. Access to corporate internet/intranet and mail systems.
<i>Software development and maintenance</i>	Providing advice from tactical, operational, and strategic aspects with consideration to the specific needs of the office. Making recommendations on cost effective options e.g. outsourcing or in-house IT services. Provision of customised / off the shelf software applications to support the specific needs of office.
<i>Help desk services</i>	Provision of local and global services to staff in resolving various IT related issues for the UN enterprise applications.

Annex 2

Detail on outstanding bills

YEAR	2018	2019	2020	2021	TOTAL
Cost Category					
Direct costs to be settled from 67% or alternatively CITES core fund					
Expense report	40.00	240.00	200.00	0.00	480
Travel authorization	1,160.00	0.00	0.00	0.00	1,160
Travel TPO		200.00	0.00	0.00	200
Travel cost estimate		40.00	40.00	0.00	80
Staff Training	1,400.00	0.00	0.00	0.00	1,400
Total Direct costs	2,600	480	240	0.00	3,320
Additional Direct costs to be settled from 67% or alternatively CITES core fund					
Special Pouch	1086.91	6,993.21	0.00	0.00	8,080
Express Mail - Direct Cost	234.73	4,107.19	1307.11	1630.07	7,279
Express Mail - handing		915.87	349.35	60.00	1,325
Postal Mail - Direct Cost	4.72	77.14	38.19	0.00	120
Stationery services	858.50	1,315.04	473.35	0.00	2,647
Family certificates	42.00	0.00	0.00	0.00	42
Medical Services & Staff Welfare	2,232.00	0.00	0.00	0.00	2,232
Messenger	2,725.80	0.00	0.00	0.00	2,726
Centralized data	6,815.51	115.00	476.1	365.70	7,772
Network and Internet Connectivity	3,015.87	10,594.40	6293.7	2,097.90	22,002
Standard Software Package	5,929.62	0.00	0.00	0.00	5,930
Personal computing package		47,514.32	42,157.50	11,278.50	100,950

Multi-Function Printer Services	1,151.73	8,427.05	2,030.27	0.00	11,609
Security	0.00	0.00	0.00	0.00	0.00
IEH Shared ground floor/server room/prayer room/yoga	527.38	0.00	0.00	0.00	527
Bluezone file sharing	0.00	8.80	0.00	0.00	9
Wifi Maintenance	0.00	1,314.90	1,314.00	337.20	2,966
1st -3rd quarter pending payments	48,667.45	0.00	0.00	0.00	48,667
UNLP	0.00	1010.30	0.00	0.00	1,010
Customs clearance		3094.76			
Total Additional costs	73,292	85,488	54,440	15,769	228,989
YEAR	2018	2019	2020	2021	TOTAL
Total CITES bill	75,892	85,968	54,680	15,769	232,309
<i>Total bill GENEVA office</i>	<i>1,192,361</i>	<i>1,527,379</i>	<i>1,461,595</i>	<i>384,715</i>	4,566,049
% CITES bill	6%	6%	4%	4%	5%