

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

BUDGET AND WORK PROGRAMME FOR 2023 TO 2025

1. This document has been prepared by the Secretariat.

Introduction

2. In line with Resolution Conf. 18.1 on *Financing and the costed programme of work for the Secretariat for the triennium 2020-2022*, adopted at its 18th meeting (CoP18, Geneva, 2019), the Conference of the Parties:
 7. *NOTES with appreciation the three budget proposals submitted by the Secretariat for the triennium 2020-2022 budget period and REQUESTS the Secretary-General to prepare budget proposals in the same format for consideration of the Conference of the Parties at its 19th meeting, including, as a minimum, a zero nominal growth budget scenario and a zero real growth budget scenario and, in consultation with the Standing Committee, if necessary, a third scenario.*
3. At its 74th meeting, the Standing Committee took note of the Secretariat's report (document SC74 Doc. 8) on the three proposed budget scenarios for the triennium 2023-2025.
4. The present document should be read in conjunction with the document on financial reports for 2019-2022 (see document CoP19 Doc. 7.3).

Overview of the proposed budget scenarios

5. Based on the above request, the present document presents the three budget scenarios and costed programme of work for the triennium 2023-2025 and reflects the growing needs and opportunities for the Secretariat for the next triennium.
6. The included activities are a continuation of the activities implemented in the current triennium and consider the progress of work; upcoming needs (including requests for assistance from Parties to support their implementation of the Convention); financial contributions received; Decisions and Resolutions adopted at CoP18; and outcomes achieved during the previous intersessional period.
7. The proposed operational budgets include activities and staffing to be funded by the assessed contributions of Parties as well as activities to be funded from the external trust fund. Essential activities have been prioritised for funding from the core trust fund (CTL) while activities funded from the external trust fund (QTL) will be undertaken subject to the availability of resources and with the expectation that the Conference of the Parties will prioritize activities funded from the external trust fund.
8. The Secretariat will compile all draft Decisions and Resolutions proposed in the working documents to CoP19. These and the cost estimates and budgetary implications on the external trust fund (QTL) will be presented in a separate information document that will be made available in August 2022. This information document will be updated with adopted Decisions and Resolutions after CoP19 including the priority setting

information per activities made by the Parties and will form the basis for future fundraising activities during the intersessional period. In addition, this approach will address the recommendations from the audit by the Office of Internal Oversight Services (OIOS) (related to items 1, 2 and 3).

9. The proposed budget scenarios contain information regarding the annual assessed contribution of each Party. The assessed contributions of Parties are based on the United Nations scale of assessment for the period 2022-2024 adopted by the General Assembly in resolution 76/238 and adjusted to take into account that not all Member States of the United Nations are Parties to the Convention.
10. The staffing component of the three scenarios was budgeted using current United Nations standard salary costs for 2022 as per United Nations budgeting practice, based on standard costs covering estimated salary costs, including entitlements and mobility, and providing for a 2 per cent increase per year as agreed upon at CoP17 and as mentioned in document SC74 Doc. 8. This adjustment does not reflect an increase in staff salaries and is meant to buffer the impact of inflation and fluctuation of the exchange rates.
11. All amounts are in United States dollars, unless otherwise stated.

Presentation of the respective budget alternatives and their scenarios

12. In preparing the proposed budget scenarios for the triennium 2023-2025, the Secretary-General has been guided by a set of goals that would allow to enhance the Secretariat's ability to support and facilitate Parties' implementation of the Convention and Decisions and Resolutions of the Conference of the Parties. The goals are to:
 - a) ensure that the Secretariat maintains its core capacity to service the meetings of the Conference of the Parties and their governing and scientific bodies; and
 - b) ensure that the administrative services necessary to mobilize resources and be able to spend available financial contributions in a manner consistent with the Financial Regulations and Rules of the United Nations and the decisions and resolutions adopted by the Conference of the Parties are in place.
13. The operational budgets scenarios for the triennium 2023-2025 have been developed and are presented in a similar format as presented at CoP18 and have maintained the seven functional budget headings with a total of 64 specific groups of activities with some adjustments to specific activities, as necessary. In addition, the Secretariat has included sources of funding for each group of activities.
14. Each scenario presents seven appendices as follows:

Appendix A: shows the costed programme of work of the Secretariat, tailored to its functional chart as well as the priority ranking of the Secretariat's activities along with resources required for each activity per year and the current foreseen requirement for external resources;

Appendix B: presents the core operational budget under the Core Trust Fund (CTL);

Appendix C: shows the core operational budget arranged by class level in Umoja format;

Appendix D: shows the activities funded from the External Trust Fund (QTL) and the voluntary funds sought by the Secretariat. It should be noted that the cost estimates included are indicative and the implementation of the activities are subject to the availability of resources;

Appendix E: presents the scale of contributions from each Party and is based on the UN scale of assessment approved by the General Assembly on December 2021 and adjusted to consider that not all UN Member States are Parties to CITES;

Appendix F: contains the UN common standard salary costs for 2022 for the Geneva duty station and was used to calculate the staff costs for the triennium 2023-2025 as mentioned in document SC74 Doc. 8.; and

Appendix G: shows the indicative staffing table and includes tables on core and external funded positions for the Secretariat.

15. The United Nations Environment Programme (UNEP), in line with the United Nations financial regulations and rules, applies a 13 per cent programme support costs on core and voluntary extrabudgetary funding to cover the costs associated with providing administrative support for the Secretariat.
16. The below tables 1 and 2 are presenting the overview of all post and non-post resources requested for the core budget under the three budget scenarios as set out in Annexes 2 to 4 to this document and compared to the approved resources for the triennia 2014-2016, 2017-2019 and 2020-2022.

Table 1 - Financial resources under the core budget (in United States dollars) including 13% programme support costs (PSC)

Approved Core Budget for 2014-2016	18,510,131
Approved Core Budget for 2017-2019	18,554,791
Approved Core Budget for 2020-2022	18,685,560
Proposal for 2023-2025 (Scenario 1 – zero real growth)	21,076,381 (12.8% increase from 2020-2022)
Proposal for 2023-2025 (Scenario 2 – zero nominal growth)	20,628,258 (10.4% increase from 2020-2022)
Proposal for 2023-2025 (Scenario 3 – incremental growth)	21,412,814 (14.6% increase from 2020-2022)

Table 2 - Post resources under the core budget

	Number of posts	Level
Approved Core Budget for 2014-2016	22.25	1 D-2, 5 P-5, 5 P-4, 3.25 P-3, 8 GS
Approved Core Budget for 2017-2019	24.25	1 D-2, 5 P-5, 5 P-4, 3.25 P-3, 1 P-2, 9 GS
Approved Core Budget for 2020-2022	26.25	1 D-2, 5 P-5, 5 P-4, 3.25 P-3, 2 P-2 ¹ , 10 GS ¹
Proposal for 2023-2025 (Scenario 1 – real growth)	26.25	1 D-2, 5 P-5, 5 P-4, 3.25 P-3, 2 P-2 ¹ , 10 GS ¹
Proposal for 2023-2025 (Scenario 2 – zero nominal growth)	26.25	1 D-2, 5 P-5, 5 P-4, 3.25 P-3, 2 P-2, 10 GS
Proposal for 2023-2025 (Scenario 3 – incremental growth)	26.25	1 D-2, 5 P-5, 5 P-4, 3.25 P-3, 2 P-2, 10 GS

¹ Resolution 18.1 *Financing and the costed programme of work for the Secretariat for the triennium 2020-2022*, paragraph 11, includes two approved staff positions (one P-2 Associate Programme Officer and one GS Research/Programme Assistant) funded from the accumulated surplus (fund balance).

17. The figures indicated in the below sections are net of programme support costs.

Scenario 1 – Zero real growth

18. The proposal under Scenario 1, Annex 2, presents an average annual increase of \$796,941 in the budget amount during the triennium. This scenario maintains the current number of staff positions adopted for the triennium 2020-2022 but entails an increase in operating costs related to actual operating expenditure during the period 2020-2022 and reflects the additional costs related to governing and scientific committee meetings. The following subparagraphs describe the most significant changes to the operational budget for the core activities funded through the Core Trust Fund introduced in the zero real growth scenario:

Increases

- a) Functional heading A – Governing Bodies Unit – activity A-1: An additional US\$51,072 has been allocated to reflect the updated cost for an additional interpretation team of three which will allow for evening sessions in respective Committees during the 19th meeting of the Conference of the Parties in Panama (CoP19) in November 2022. The increased costs have been foreseen and are included in the budget of the meeting;

- b) Activity A-2: An additional US\$54,924 has been allocated to respond to the higher number of translated documents for Standing Committee meetings (US\$45,000) and to include two (2) rapporteurs to assist with the report writing during and after the committee meetings (US\$9,924). The increased costs were incurred during the 74th meeting of the Standing Committee meeting in Lyon in March 2022;
 - c) Activity A-3: An additional US\$4,000 has been allocated to cover additional costs for UN Security services for Geneva-based organized meetings of the Animals Committee;
 - d) Activity A-4: An additional US\$4,000 has been allocated to cover additional costs for UN Security services for Geneva-based organized meetings of the Plants Committee;
 - e) Functional heading E – Outreach and Projects – activity E-3: An additional US\$114,753 has been allocated for the UNEP-World Conservation Monitoring Centre (WCMC) essential services related to the maintenance and management of the CITES trade database including processing, validating and uploading Parties annual report data, maintaining other CITES-related platforms including the checklist of CITES species, etc.) and providing scientific and technical support to the Secretariat as requested. The Parties are invited to note that the UNEP-WCMC budget has remained at the same level over many years; additionally, the UNEP-WCMC workload has increased due to the growing volume of trade reported by CITES Parties over the last decade. This trend is likely to continue, as it is expected that the number of CITES-listed species and the number of Parties will continue to increase;
 - f) Functional heading G – Equipment, maintenance, and other operating costs – activity G-5: The increased cost is based on the introduction by the UN Secretariat of a new methodology for sharing the costs within the UN Secretariat and is based on staff headcount as presented in document SC74 Doc. 10.1. The Umoja cost is currently financed from the programme support share allocated to CITES. However, as mentioned in document SC74 Doc. 10.1, UNEP has proposed to charge Umoja costs to the core budget for the new triennium and thereby alleviate the existing burden on the programme support cost resources for CITES. Consequently, an additional US\$167,220 has been allocated to the core budget based on the current license costs for Umoja (new modules are to be rolled out in the coming years and the overall cost for CITES could increase); and
 - g) Staffing envelope: An increase of US\$1,911,686 has been estimated for the 2023-2025 staffing envelope compared with the 2020-2022 approved staff budget. This staff budget is based on the UN standard salary costs for the Geneva duty station for the year 2022 and an annual growth of 2 per cent for staff remuneration which covers annual step increases, inflation, and exchange rate fluctuations. No new staff positions are proposed under this scenario compared to the approved staffing level for 2020-2022 triennium.
19. The overall operational budget under this scenario would be US\$21,076,381, including programme support costs. This is an increase of 12.8 per cent over the operational budget adopted for the triennium 2020-2022 and mainly due to aligning the Secretariat staffing budget with the UN standard salary costs for the Geneva duty station, actual costs incurred by the Secretariat and a modest recognition that CITES data management tasks and costs have increased in the last decade.

Scenario 2 – Zero nominal growth

- 20. In Scenario 2, shown in Annex 3, there is an average annual increase of US\$647,566 in the budget during the triennium. The current level of staff and operating costs are maintained at the 2020-2022 level but there is a reflection of the UN common standard salary costs for the Geneva duty station for the year 2022.
- 21. The staffing envelope shows an increase similarly to what is presented in above Scenario 1. If this scenario is adopted, it would put the Secretariat in a difficult situation as funds would not be sufficient to cover expected expenditures during the period 2023-2025 as changes have been made in the operating costs to remain within a zero nominal growth level.
- 22. The overall operational budget under this scenario would be \$20,628,258, including programme support costs, an increase of 10.4 per cent over the operational budget adopted for the triennium 2020-2022. This is mainly due to the alignment with the UN common standard salary costs for the Geneva duty station for the year 2022.

Scenario 3 – Incremental growth

23. The incremental growth scenario contained in Annex 4 to this document builds on the zero real growth scenario and presents an average annual increase of \$909,085 in the budget amount during the triennium and includes the most significant changes to the operational budget for the core activities funded through the Core Trust Fund:

Increases

- a) Functional heading E – Outreach and Projects– activity E-3: An additional US\$174,753 has been allocated to UNEP-WCMC to reflect the higher costs over time for the maintenance and management of the CITES trade database and will also provide the additional resources to ensure the continued collation and curation of the database. This activity is time intensive as there are a series of data checks and quality checks that UNEP-WCMC runs on each annual legal trade report; in addition, liaison with the Parties is often required for missing data or in cases where there are discrepancies that need clarification;
 - b) Activity E-5: An additional US\$60,000 has been allocated to cover for further development and maintenance of the CITES website including a helpdesk to increase accessibility for Parties and other stakeholders and in all the languages of the Convention;
 - c) Functional heading F – Management and Administrative Services – activity F-3: An additional US\$180,000 has been allocated for communication and outreach activities of the Secretariat during the triennium, which are core activities of the Secretariat to raise awareness of the value and contributions of the Convention to species and biodiversity conservation; and
 - d) Staffing envelope: The staffing envelope budget remains at the same level as presented in scenario 1 above and no new staff positions are proposed under this scenario.
24. The overall operational budget under this scenario would be US\$21,412,814, including programme costs, an increase of 14.6 per cent over the operational budget adopted for the triennium 2020-2022. This is mainly due to the alignment with the UN standard salary costs for the Geneva duty station; the recognition of the tasks of UNEP-WCMC for maintaining and upgrading of the trade database; and the core outreach costs of the Secretariat for improved communications to the Parties and the public at large.

Administrative and programme support costs

25. The Memorandum of Understanding between the Standing Committee of CITES and the Executive Director of UNEP, signed in September 2011, stipulates in paragraphs 17 and 18 that the Executive Director will allocate to UNEP an appropriate share, which should initially not be more than 33 per cent, to finance the part of the UNEP central administrative services that support the Convention including those performed by the United Nations Office at Nairobi (UNON), the UN OIOS and the UN Board of Auditors (BOA).
26. The programme support cost portion allocated to the Secretariat in support of Convention activities which should initially not be less than 67 per cent of the annual programme support income attributed to all of the trust funds of the Conventions, is used to finance: (i) one Professional and two General Service staff members involved in performing financial and common administrative functions of the Secretariat and (ii) global services delivery module (GSDM) and Umoja as part of UN corporate initiatives to be shared among all UN Secretariat entities as per General Assembly resolution 63/262. Currently, (ii) has been financed through the CITES allocated portion of the programme support cost [see paragraph 18. f)].
27. At its 74th meeting (see document SC74 Doc. 10.1), the Standing Committee noted the evaluation of central administrative costs following the adoption of Umoja, in particular, the classification into core (indirect) costs covered by UNEP and common (direct) administrative costs to be covered by CITES. In addition, a note on allocation and utilization of the programme support costs was prepared and presented by UNEP which also included outstanding invoices from the UN Office at Geneva (UNOG) for the period from 2018 until 2021. UNEP has agreed that the outstanding UNOG bills for the period 2018 to 2021 will be settled from the CITES unspent programme support fund balance at the closure of financial year 2021 as recommended by SC74.
28. A further review has been undertaken together with UNEP, and the annual average cost share of UNOG services excluding security is amounting to \$86,000 for administrative and support services provided to the CITES Secretariat based in Geneva. Considering the above, the year 2022 and following years costs for

UNOG administrative services must be addressed. Possible supplementary funding sources for future administrative costs when programme support cost is inadequate may need to be addressed. No budgetary provision has been included in the proposed scenarios in expectation of a forthcoming decision at the 19th meeting of the Conference of the Parties.

Draft proposed resolution

29. A draft resolution on *Financing and costed programme of work for the Secretariat for the triennium 2023-2025* is presented in Annex 1 to the present document and is based on Resolution Conf. 18.1, with proposed new text underlined and deletions in strikethrough.

Consultation on the proposed budgetary scenarios

30. The Memorandum of Understanding between the Standing Committee of the Conference of the Parties to CITES and the Executive Director of UNEP states the following in paragraph 23:

The Standing Committee understands that a copy of the draft Secretariat budget will be shared with the Executive Director for review and comments in respect of any matters of direct relevance to the role and functions of the Executive Director before the final proposed budget is submitted by the Secretary-General for consideration by the Conference of the Parties”.

31. Accordingly, the Secretary-General forwarded the draft budget scenarios to UNEP headquarters for their review and comments. Any comments received from UNEP will be considered in the final proposed budget scenarios presented in the annexes to the present document.

Recommendations

32. Considering the changes and the visible increase in the workload of the Secretariat over the years, and the prudent and well managed use of the resources, the Secretariat requests the Conference of the Parties to consider the incremental growth scenario in Annex 4 to this document which includes an average annual increase of \$909,085 in the budget amount for the triennium compared to current 2020-2022 period, when reviewing and adopting the budget for the triennium 2023-2025.

Annexes to the present document

This document contains one annex containing a draft resolution on *Financing and the costed programme of work for the Secretariat for the triennium 2023-2025* and 3 annexes containing seven (7) appendices for each budget scenario, as follows:

Annex 1: Draft resolution on financing and the costed programme of work for the Secretariat for the triennium 2023-2025

Annex 2: Scenario 1 – Zero real growth

Appendix A: Proposed costed programme of work for 2023-2025 by activity level

Appendix B: Operational budget under the Core Trust Fund (CTL) for 2023-2025 by budget code levels

Appendix C: Operational budget under the Core Trust Fund (CTL) for 2023-2025 in UN Umoja format

Appendix D: Indicative budget for the External Trust Fund (QTL) for 2023-2025 by budget code levels

Appendix E: Scale of contribution for the triennium 2023-2025 for the Core Trust Fund (CTL) for Parties based on UN scale of assessment for 2022-2024

Appendix F: UN Standard salary costs for Geneva for the triennium 2023-2025

Appendix G: Indicative staffing table for the triennium 2023-2025

Annex 3 Scenario 2 – Zero nominal growth budget

Appendix A: Proposed costed programme of work for 2023-2025 by activity level

Appendix B: Operational budget under the Core Trust Fund (CTL) for 2023-2025 by budget code levels

Appendix C: Operational budget under the Core Trust Fund (CTL) for 2023-2025 in UN Umoja format

Appendix D: Indicative budget for the External Trust Fund (QTL) for 2023-2025 by budget code levels

Appendix E: Scale of contribution for the triennium 2023-2025 for the Core Trust Fund (CTL) for Parties based on UN scale of assessment for 2022-2024

Appendix F: UN Standard salary costs for Geneva for the triennium 2023-2025

Appendix G: Indicative staffing table for the triennium 2023-2025

Annex 4 Scenario 3 – Incremental growth budget

Appendix A: Proposed costed programme of work for 2023-2025 by activity level

Appendix B: Operational budget under the Core Trust Fund (CTL) for 2023-2025 by budget code levels

Appendix C: Operational budget under the Core Trust Fund (CTL) for 2023-2025 in UN Umoja format

Appendix D: Indicative budget for the External Trust Fund (QTL) for 2023-2025 by budget code levels

- Appendix E: Scale of contribution for the triennium 2023-2025 for the Core Trust Fund (CTL)
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