

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

FINANCIAL REPORTS FOR 2020-2022

1. This document has been prepared by the Secretariat in accordance with the reporting obligations in Resolution Conf. 18.1 on *Financing and the costed programme of work for the Secretariat for the triennium 2020-2022*.

Introduction

2. The Secretariat has prepared the report as set out in the present document covering the period 1 January 2020 to 30 June 2022 for both Convention trust funds, using the approved format in presenting the financial reports on the costed programme of work.
3. During the period since the 18th meeting of the Conference of the Parties in 2019, the Secretariat has prepared quarterly reports to the Finance and Budget Subcommittee members on the financial status regarding contributions and expenditures for the two trust funds. These reports can be found on the CITES website on page – How is CITES financed? – Quarterly report to FBSC for the triennium 2020-2022: <https://cites.org/eng/disc/fund.php>

Financial report on costed programme of work for 2020

4. At its 74th meeting of the Standing Committee (SC74, Lyon, March 2022), the Secretariat presented its report on expenditures associated with its costed programme of work for 2019, 2020 and 2021 (up to 30 September 2021) in document [SC74 Doc. 7](#) on *Financial matters*.
5. Annex 1 to the present document contains the 2020 costed programme of work, with the final CITES Trust Fund (CTL) expenditures, including programme support cost amounting to USD 4.8 million, which is 78 per cent of the Secretariat's total budget for 2020 or USD 6.2 million. The underspending for the year was mainly due to the postponement of the meetings of the Animals, Plants and Standing Committees, delays in the recruitment of the two new positions approved at CoP18 and therefore no funding was used from the fund balance for the P-2 and GS positions as well as lower costs for maintaining the office in Geneva and less official travel. During a major part of 2020, the Secretariat staff was telecommuting full time from mid-March until end of the year in line with the host country sanitary measures. In addition, no official travel was allowed due to the COVID-19 pandemic.
6. The annex is also presenting the expenditures and contributions received in 2020 in relation to each activity and funded from the CITES external Trust Fund (QTL). It should be noted that all expenditures shown per activity and funded from income either from CTL or QTL trust funds are regular resources from assessed or donor contributions. No cost recovery was collected during the year.
7. The scale of contributions for each Party to the CITES Trust Fund (CTL) and payments made in 2020 are shown in Annex 2 of the present document. The overall collection rate for 2020 was 75.5 per cent and

includes the full or partial contribution of USD 4.7 million received from 74 Parties. For prior years, USD 1,128,458 was outstanding as of 31 December 2020.

- Annex 3 contains information on donor contributions to the CITES external Trust Fund (QTL) during 2020. As of 31 December 2020, a total of USD 9.7 million, amounting to 68 per cent of the total indicative budget for 2020, had been deposited.

Financial report on costed programme of work for 2021

- Annex 4 is providing information on the budget performance for the core Trust Fund (CTL) for the year 2021. Out of the total average annual budget of nearly USD 6.2 million, there was a total expenditure including programme support costs amounting to USD 6 million or an implementation rate of 96 per cent.
- The overall expenditure includes the related costs for the online meetings of CITES governing bodies (Animals, Plants and Standing Committees) conducted in May-June 2021 and the two new posts approved at CoP18 (P-2 and GS position to be funded from the accumulated fund balance). During the year 2021, the Secretariat had savings of almost the entire official travel budget due to travel restrictions. Further savings during the year related to travel of sponsored members to meetings of the governing and advisory bodies as only online meetings were held. Other operational costs (sub-heading G) related to maintaining the office and equipment were unspent as the Secretariat staff had to continue to mainly work from home for most of the period in 2021 as per recommendation of the United Nations Office at Geneva (UNOG) and host country authorities.
- In view of the savings, the intersessional decision taken by the Standing Committee in February 2021, as per Notification No. 2021/015, to approve a one-time exceptional transfer of USD 280,700 from the expected 2020 savings from the meetings of the governing and advisory bodies budget for possible organization of these meetings during 2021, was not needed. Therefore, no amount was transferred from 2020 into 2021 accounts. Similarly, no funding was used from the fund balance for the P-2 and GS positions as the overall budget of 2021 was sufficient to cover the salary costs for the two posts.
- Annex 5 shows information on the status of the assessed contributions as of 31 December 2021. The overall collection rate for 2021 was 87.5 per cent and includes the full or partial contribution of USD 4.9 million received from 114 Parties.
- In Annex 6, the annual distribution of unpaid contributions as of 31 December 2021 is presented, which is amounting to USD 1,900,435. It should be noted that long-standing unpaid assessed contributions will be counted as doubtful debts, and in line with the International Public Sector Accounting Standards, provisions will be made in the accounts to cover the amounts from the reserve, thus reducing the amount available for the use of Parties.
- Annex 7 shows various donors and their contributions for specific activities funded from the external Trust Fund (QTL), a total of USD 9.7 million was deposited by 31 December 2021.
- The certified accounts for 2019 and 2020 for the two trust funds are presented in Annex 8 and are included as an integral part of the certified accounts of the United Nations Environment Programme for the years 2019 and 2020. It is expected that the final certified accounts for 2021 (Annex 13) will be issued during the second half of 2022 and will be published on the CITES website, on which all final certified accounts are published.

Financial report on costed programme of work for the period up to 30 June 2022

- Annexes 9 to 12 are showing information on expenditures and contributions for both trust funds for the period up to 30 June 2022.
- Updated information on expenditures and contributions for both trust funds for the period 1 January to 30 September 2022, including projections for the full year, will be provided by early October 2022 allowing for more up-to-date figures for the year. The updated information will be presented in Annexes 14 to 16.
- During the intersessional period, the Secretariat has continued its work on identifying areas for efficiency savings and is now using the below United Nations headquarters (UNHQ), UNOG and United Nations Environment Programme (UNEP) global or local system contracts for:

- Purchase of online platforms (Interactio, Interprefy or Kudo) through UNHQ
- Purchase of Lenovo computers through UNOG
- Purchase of office supplies through UNOG
- Purchase of mobile phone devices and services through UNOG
- Purchase of Adobe licenses through UNEP
- Purchase of web services through UNEP

Terms of Reference for the Administration of the Trust Fund (CTL) for the Convention on International Trade in Endangered Species of Wild Fauna and Flora

19. As presented in document SC74 Doc. 7, the overarching rules for Terms of Reference (TOR) or Financial Rules is that they are governed by the UN Financial Regulations and Rules, its Staff Regulations and Rules and other administrative policies or procedures promulgated by the UN Secretary-General and UNEP administrative policies and procedures for those Multilateral Environmental Agreements (MEAs) administered by UNEP.
20. The TOR for the administration of the Trust Fund for CITES is covering the above regulations and rules. It should be seen as complementing the resolution text for the financing and the costed programme of work for the Secretariat and continue to be part of it as an annex to the financing resolutions.
21. The Secretariat is therefore proposing that no further review or amendment of the current CITES TOR is undertaken.

Registration fees for observer organizations

22. Further to the information presented in document SC74 Doc. 7 on registration fees for observer organizations including updates on how registration fees are applied in other MEAs and natural resources management bodies, the Secretariat is proposing that the current registration fee structure level remain in place and that no new categories be introduced considering the administrative costs involved in administering the income.
23. Further review on whether to apply registration fees for online meetings may be considered and a possible fee to charge could be at the same level as for international visitors of USD 100 per observer delegate.
24. The registration fee collected at each governing body meeting is recorded on a separate grant in Umoja and remains available for Parties to utilize at each CoP meeting. As of 30 June 2022, the cumulative balance of other resources amounts to USD 185,954.

Recommendation

25. The Secretariat requests that the Conference of the Parties accept the report of expenditures incurred and approve the reports of implementation of the costed programmes of work for 2020, 2021 and 2022 (up to 30 September 2022).

Annexes to the present document

26. This document is supported by 16 annexes as listed below.

- Annex 1: Financial report on costed programme of work for 2020
- Annex 2: CITES Trust Fund (CTL) – status of contributions as of 31 December 2020
- Annex 3: CITES external Trust Fund (QTL) – status of contributions as of 31 December 2020
- Annex 4: Financial report on costed programme of work for 2021
- Annex 5: CITES Trust Fund (CTL) – status of contributions as of 31 December 2021
- Annex 6: CITES Trust Fund (CTL) – annual distribution of the unpaid contributions as of 31 December 2020
- Annex 7: CITES external Trust Fund (QTL) – status of contributions as of 31 December 2021
- Annex 8: Statements of financial performance and position for the years ending 31 December 2019 and 2020
- Annex 9: Financial report on costed programme of work for 2022 (up to 30 June 2022)
- Annex 10: CITES Trust Fund (CTL) – status of contributions as of 30 June 2022
- Annex 11: CITES Trust Fund (CTL) – annual distribution of the unpaid contributions as of 30 June 2022
- Annex 12: CITES external Trust Fund (QTL) – status of contributions as of 30 June 2022
- Annex 13: Statement of financial performance and position for the year ended 31 December 2021
- Annex 14: Financial report on costed programme of work for 2022 (up to 30 September 2022)
- Annex 15: CITES Trust Fund (CTL) – status of contributions as of 30 September 2022
- Annex 16: CITES external Trust Fund (QTL) – status of contributions as of 30 September 2022