

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



Seventy-seventh meeting of the Standing Committee
Geneva (Switzerland), 6–10 November 2023

Administrative and financial matters

FINANCIAL MATTERS

1. This document has been prepared by the Secretariat.
2. The present document highlights the financial performance of the Secretariat since the 19th meeting of the Conference of the Parties (CoP19, Panama, 2022) and provides information on income and expenditure from 1 January 2022 to 30 September 2023 for both Convention trust funds. The report should be read in conjunction with the document on administrative matters (see document SC77 Doc 10.1).

Financial report on the costed programme of work for 2022

3. At the 19th meeting of the Conference of the Parties (CoP19; Panama City, 2022), the Secretariat presented its report on expenditure associated with its costed programme of work for the periods up to 30 June 2022 in document CoP19 Doc. 7.3 on *Financial matters*.
4. Annex 1 to the present document provides information on the budget performance for the Core Trust Fund (CTL) for the full year of 2022. Out of the total budget of USD 6.7 million, there was a total expenditure including programme support costs amounting to nearly USD 6.6 million or an implementation rate of 98 per cent.
5. The most significant changes relate to the actual staff costs applied which is around USD 150,000 higher than budgeted and includes the separation of two staff members (one P-5 from 1 January 2022 and General Service staff from 1 June 2022) and their payout of accumulated benefits. In addition, two posts which were approved for the triennium and funded from the fund balance have been fully charged to the core budget. The higher expenditure under the staffing component is offset by lower translation costs of CoP19 documents and a portion of the conference staff payments for service at CoP19 which were not processed and paid out until March 2023 and therefore only recorded in the next fiscal year. In addition, several procurement cases related to non-expendable equipment and office supplies were put on hold due to the cash balance available on the trust fund.
6. Annex 2 presents information on the status of annual assessed contributions as of 31 December 2022. The overall collection rate for 2022 was 90 per cent and includes the full or partial contribution received from 112 Parties for 2022. For prior years, an amount of USD 1,319,044 was outstanding as 31 December 2022.
7. Annex 3 shows various donor and their contributions for specific activities funded from the external Trust Fund (QTL), a total amount of nearly USD 7.3 million was deposited by 31 December 2022.
8. As reported in the CoP19 report, the Secretariat has continued its work on identifying areas for efficiency savings and is now using the below United Nations headquarters (UNHQ), United Nations Office at Geneva (UNOG) and United Nations Environment Programme (UNEP) global or local system contracts for:
 - Purchase of online platforms 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
9. In addition, thanks to efficiency in continued use of internal manual and translation tools for CoP19 working documents, the Secretariat was able to reduce the overall translation cost to approximately USD 120,000 for documents translated into French (238,259 words) and Spanish (238,509 words). It should be noted that the transaction time and cost for the staff member is not factored into the overall cost reduction.

Financial report on costed programme of work for 2023 (up to 30 September 2023)

10. Annex 4 is providing information on the budget performance for the CTL for the year 2023 up to 30 June 2023. Out of the total average annual budget of USD 6.6 million, there was a total expenditure including programme support costs for the first six months of the year amounting to USD 3.5 million or an implementation rate of 54 per cent.
11. During 2023, the Secretariat has been in contact with UNOG to further reduce its equipment costs. We have now engaged in a leasing agreement of IT equipment for its staff that will reduce the transaction time and costs for procurement, inventory, maintenance, and disposal of equipment as this will now be done by UNOG. The annual leasing amount is within the approved budget for non-expendable equipment.
12. Annex 5 shows the information on the status of the assessed contribution as of 30 June 2023. The overall collection rate for the first six (6) months of 2023 was 44 per cent and includes the full or partial contribution of nearly USD 2.5 million received from 83 Parties.
13. Annex 6 shows various donor and their contributions and a total of USD 4.3 million was deposited by 30 June 2023.
14. Updated information on expenditures and contributions for both trust funds for the period 1 January to 30 September 2023, including projections for the full year will be provided by early October 2023 allowing for more up-to-date data for 2023. The updated information will be presented in Annexes 7 to 9.
15. The certified accounts for 2022 for the two trust funds are presented in Annexes 10 and 11 (available in English only) and are included as an integral part of the certified accounts of UNEP for 2022. It is expected that the final certified accounts for 2022 will be issued during the second part of 2023 and will be published on the CITES website.
16. Finally, please note that quarterly reports are prepared and made available to the Finance and Budget Subcommittee members on the financial status of CITES regarding contributions and expenditures for the two trust funds. These reports and updated information can be found on the CITES website on its page – *How is CITES financed?* - <https://cites.org/eng/disc/fund.php>

Registration fees for observer organizations

17. Further to the information provided in the CoP19 report, on the possibility of the further review on whether to apply registration fees for online meetings, the Secretariat is proposing no change to the current registration fee structure level considering the administrative costs involved in administering the income.
18. The registration fee collected at each governing body meeting is recorded on a separate grant in the UN Umoja management system and remains available for Parties to utilize at each CoP meeting. As of 30 June 2023, the cumulative balance of this grant amounts to USD 336,324.

Recommendations

19. The Secretariat recommends that the Standing Committee:
- a) approve the reports on the costed programme of work for the full year of 2022 and for the period up to 30 September 2023 for the year 2023; and
 - b) take note of other information provided in the report including the proposal by the Secretariat of not charging registration fees for observer organizations for online meetings.

Annex 1 – Financial report on costed programme of work for the Secretariat for 2022 as of 31 December 2022

Annex 2 – CITES Trust Fund (CTL) contributions as of 31 December 2022

Annex 3 – CITES Trust Fund (QTL) contributions as of 31 December 2022

Annex 4 – Financial report on costed programme of work for the Secretariat for 2023 as of 30 June 2023

Annex 5 – CITES Trust Fund (CTL) contributions as of 30 June 2023

Annex 6 – CITES Trust Fund (QTL) contributions as of 30 June 2023

Annex 7 – Financial report on costed programme of work for the Secretariat for 2023 as of 30 September 2023

Annex 8 - CITES Trust Fund (CTL) contributions as of 30 September 2023

Annex 9 – CITES Trust Fund (QTL) contributions as of 30 September 2023

Annex 10 – Statement of income and expenditure for CTL as of 31 December 2022

Annex 11 – Statement of income and expenditure for QTL as of 31 December 2022