

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

TERMS OF REFERENCE OF THE FINANCE AND BUDGET SUBCOMMITTEE

1. This document has been prepared by the Secretariat.
2. At its 18th meeting (CoP18; Geneva, 2019), the Conference of the Parties adopted Decision 18.2 on *Terms of reference of the Finance and Budget Subcommittee* as follows:

Directed to the Standing Committee

18.2 *The Standing Committee shall consider whether the terms of reference of the Standing Committee Finance and Budget Subcommittee should be annexed to Resolution Conf. 18.2 on Establishment of committees.*

3. For ease of reference, the terms of reference of the Finance and Budget Subcommittee (FBSC) are contained in the Annex to the present document. The terms of reference are also available in the [list of intersessional working groups established at SC76](#).
4. In accordance with Resolution Conf. 14.1 *on Financing and the costed programme of work for the Secretariat for the triennium 2009-2011*, the Standing Committee established the Finance and Budget Subcommittee and adopted its terms of reference at its 57th meeting (Geneva, July 2008). The Secretariat notes that the Standing Committee has only adopted some minor changes to the terms of reference since 2008: deletion of the timing of the meeting of the FBSC and inclusion of a broader reference to Resolutions of the Conference of the Parties on financing and the costed programme of work for the Secretariat. Even though the terms of reference have remained largely unchanged since 2008, they are only available in the document containing the working groups established at the short meeting of the Standing Committee following the regular meeting of the Conference of the Parties.
5. To increase transparency, the Secretariat proposes that the terms of reference of the FBSC be annexed to Resolution Conf. 18.2 *on Establishment of committees* and that a reference to the terms of reference be included in paragraph 2 of the text of the Resolution. Should the Standing Committee agree with this proposal and the Conference of the Parties adopt such an amendment to Resolution Conf. 18.2, the Secretariat notes that the Conference of the Parties would be the only governing body that could amend the terms of reference of the FBSC in the future by amending Resolution Conf. 18.2. Nevertheless, considering the very limited changes that have been adopted over the last 15 years, the Secretariat does not foresee that this limitation would constrain the Standing Committee's ability to oversee the financing and budget of the Convention.
6. In line with the Rules of procedure of the Conference of the Parties, the Secretariat proposes to change the word "chairman" to chair in the terms of reference of the FBSC.

Recommendations

7. The Standing Committee is invited to propose to the Conference of the Parties that:

- a) the terms of reference of the Standing Committee Finance and Budget Subcommittee as amended by the Secretariat in the Annex to the present document be annexed to Resolution Conf. 18.2 on *Establishment of committees*; and
- b) paragraph 2 of the text of the Resolution Conf. 18.2 be amended to include a reference to the new Annex as follows:
 - 2. DIRECTS the Standing Committee to establish a Finance and Budget Subcommittee ~~and specify its~~ with the terms of reference as found in Annex 3 to this Resolution;

TERMS OF REFERENCE OF THE FINANCE AND BUDGET SUBCOMMITTEE

(deleted text is shown in ~~strikethrough and yellow~~)

1. Composition of the Subcommittee

- a) The Finance and Budget Subcommittee shall be composed of two country representatives from Africa and one from each of the other CITES regions, nominated by the region, plus the Depositary Government; and
- b) the Subcommittee shall elect a Chairman from among its members.

2. Meetings and mode of operation of the Subcommittee

- a) The Subcommittee shall meet in closed session (i.e. attended only by members of the Subcommittee, Party observers, and the Secretariat) prior to each meeting of the Standing Committee; and
- b) the members of the Subcommittee shall communicate by electronic means between meetings of the Standing Committee. For this purpose, the Secretariat shall establish a forum on its website for communications among the members and for the sharing of documents, which may be read by non-members, who would communicate their views to their regional representative on the Subcommittee.

3. Responsibilities of members of the Subcommittee

Members of the Subcommittee shall seek and represent the views of their region in carrying out their duties, and shall report back to their regions.

4. Responsibilities of the Subcommittee

In order to assist the Standing Committee with the implementation of Resolutions of the Conference of the Parties on financing and the costed programme of work for the Secretariat, the Subcommittee shall:

- a) broadly, consider all aspects of the financing and budgeting of the Convention and develop recommendations to the Standing Committee for its approval. The Subcommittee should focus on keeping the Convention fiscally solvent while providing for essential support services for the efficient and effective functioning of the Convention;
- b) Evaluate the costed programme of work of the Secretariat and other documents with budgetary implications relative to:
 - i) the duties and responsibilities of the Secretariat mandated in the text of the Convention; and
 - ii) ensuring that the activities undertaken by the Secretariat under the approved budget are consistent with Resolutions and Decisions of the Conference of the Parties;
- c) based on an evaluation of the costed programme of work and other documents with budgetary implications:
 - i) identify those activities that represent core functions of the Secretariat that should be funded through the Trust Fund; and
 - ii) assign priority rankings to all other activities of the Secretariat to determine which items should be further funded through the Trust Fund or through external funding, with the purpose of guiding the Secretariat in its external funding efforts;
- d) consider administrative procedures and other aspects of the financing and budgeting of the Convention, and make recommendations for improving the efficiency with which funds are expended;

- e) consider potential mechanisms for funding the Convention and placing the CITES Trust Fund on a sustainable footing; and
 - f) using the information developed through the processes described in paragraphs a)-e):
 - i) work with the Secretariat to prepare all financial and budgetary documents for consideration by the Standing Committee;
 - ii) further develop the report format to ensure that the financial reports are easily understood and transparent, and that they enable informed decisions to be taken in relation to the financial performance of the Convention;
 - iii) make recommendations to the Standing Committee on all financial and budgetary documents and proposals developed through this process; and
 - iv) otherwise assist the Standing Committee in providing oversight of financial and budgetary matters, including the preparation of documents for meetings of the Conference of the Parties.
5. The Secretariat shall issue to the Subcommittee members a quarterly report, to be sent electronically, which identifies and explains any projected expenditure that exceeds the approved budget by more than 20 % for staff costs or non-staff costs relating to each activity, together with the proposed approach for managing any such projected over-expenditure.