

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

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Fifty-third meeting of the Standing Committee  
Geneva (Switzerland), 27 June-1 July 2005

Interpretation and implementation of the Convention

African elephant

SHORT-TERM FUNDING OF MIKE

1. This document has been prepared by the Secretariat.
2. The initial funding support for the African part of the MIKE programme has been provided by the European Commission, with valuable matching funds from other donors, over a 30-month period that finished on 30 April 2004. The European Commission has expressed strong interest in contributing a further EUR 10 million over a period of five years. A European Commission assessment team scrutinized the MIKE funding proposal in April and May 2005 and prepared a draft funding agreement which is pending formal approval by the European Commission. Indications from the European Commission suggest that this approval process is unlikely to be completed before January 2006 and that the funds would therefore probably not become available before March 2006.
3. Since the first tranche of European Commission funding ended, MIKE has been able to continue operating thanks to contributions from several Parties, including Austria, Japan, South Africa, the United Kingdom of Great Britain and Northern Ireland and the United States of America, as well as a special contribution of USD 145,000 allocated by the Executive Director of UNEP, in accordance with agreed procedures on the utilization of the 13 per cent support cost accrued from voluntary contributions. However there has been little certainty of funding for more than one or two months at a time during this period.
4. Current external funding finishes at the end of June 2005. Proposals have been submitted to donors to solicit funding but at the time of writing no formal commitment has been received, even though some Parties have indicated that they may be able to make a contribution. There is therefore a need to secure bridging funds for an estimated amount of USD 366,000, including programme support costs, to continue the implementation of MIKE between July 2005, when current funds run out, and March 2006, when the European Commission funding should become available for the second phase of the MIKE programme.
5. The bridging fund would allow MIKE to continue at least:
  - a) to have the Central Coordination Unit (CCU) provide the overall supervision and administration of MIKE activities and to exercise proper financial control;
  - b) to have the Sub-regional Support Units collect data from the range States and provide the necessary information to the CCU for it to proceed as best as possible with the effort still needed for the establishment of the baseline data in time for consideration at the 54th meeting of the Standing Committee;
  - c) to ensure the necessary continuity in MIKE support staff to allow for a quick new start if the European Commission funding becomes available. A lack of continuity would result in a probable delay of six months in work, owing to the time needed to recruit and train new staff; and
  - d) to provide similar support to the two Asian sub-regions.

6. Given the above, the Secretariat requests the Standing Committee to authorize a loan from the accumulated CITES Trust Fund balance to allow for the continued implementation of MIKE and for more time to secure bridging funds. The Secretariat will make every effort to obtain external funding in order to refund the loan to the CITES Trust Fund. However, if the Secretariat does not succeed in obtaining all of the funds, the CITES Trust Fund would have to absorb the difference. The balance of the CITES Trust Fund as of 31 December 2004 stood at USD 1,089 million and the projection of income to and expenditure from the CITES Trust Fund during the year 2005 leads to an estimated balance of USD 0.91 million at the end of the current triennium.
7. Resolution Conf. 13.1 on Financing and budgeting of the Secretariat and of meetings of the Conference of the Parties requires the Secretariat to maintain an operating cash reserve of USD 700,000 at the commencement of each year. If the loan were not fully reimbursed to the Trust fund, there would be a risk that the operating cash reserve would be reduced below USD 700,000 at the beginning of the year 2006. However, the alternative of not ensuring the continuity of the MIKE programme would result in a serious disruption to progress and activities under that programme. The Secretariat wishes to note that payment of arrears to the Trust Fund would prevent the operating cash reserve from falling below the USD 700,000 threshold.
8. The Secretariat therefore seeks approval by the Standing Committee of the proposed loan from the Trust Fund of USD 366,000 for the MIKE programme for the period July 2005-March 2006.