

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

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Sixty-ninth meeting of the Standing Committee  
Geneva (Switzerland), 27 November – 1 December 2017

Administrative and financial matters

Administrative matters

REPORT OF UNEP ON ADMINISTRATIVE MATTERS

This document has been prepared and submitted by the United Nations Environment Programme.\*

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## **Introduction**

The present report is submitted to the sixty-ninth meeting of the Standing Committee of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (the Convention) pursuant to the memorandum of understanding between the Standing Committee of the Convention and the Executive Director of the United Nations Environment Programme (the Environment Programme), concerning secretariat services to and support of the Convention. The report summarizes information on the administrative and financial management support provided by the Environment Programme to and in support of the Convention since the seventeenth meeting of the Conference of the Parties to the Convention.

### **Administrative and financial management support provided to the Convention Secretariat by the Environment Programme**

#### **A. Delegation of Authority**

1. In response to the request of the United Nations Environment Assembly of the United Nations Environment Programme at its second session contained in resolution 2/18 on the relationship between the United Nations Environment Programme and the multilateral environmental agreements for which it provides the secretariats, on 1 November 2016 the Environment Programme adopted the Delegation of Authority Policy and Framework for the management and administration of Multilateral Environmental Agreement Secretariats. The Policy and Framework simplifies, standardizes and streamlines the delegation of authority from the Executive Director of the Environment Programme to the heads of secretariats of multilateral environmental agreements and heads of other bodies for which the Environment Programme provides the secretariat or performs secretariat functions. The Policy and Framework was adopted following consultations with the secretariats and takes into consideration their comments. The delegation of authority, in accordance with the Policy and Framework, was accepted by the Secretary-General of the Convention in his memorandum dated 13 March 2017.

#### **B. Standardized guidelines and procedures for financial matters**

2. The Environment Programme has prepared standardized guidelines and procedures for financial matters for the multilateral environmental agreements for which it provides the secretariats. Those guidelines assist governing bodies of multilateral environmental agreements in budget preparation, financial monitoring and preparation of financial statements and other financial matters. The guidelines form part of the work of the Environment Programme in enhancing internal processes and policies with a view to making them more efficient, streamlined and transparent.

#### **C. Implications of the International Public Sector Accounting Standards on operational budgets of multilateral environmental agreements**

3. The Environment Programme has prepared and shared a report for the governing bodies of the multilateral environmental agreements in response to the request from the Environment Assembly contained in its resolution 2/18. The report provides information on the implications of the International Public Sector Accounting Standards for the operational budgets of the multilateral environmental agreements. Additional information will be provided as and when it is received from the relevant departments of the United Nations Secretariat. Under the International Public Sector Accounting Standards, audited financial statements must be produced annually, requiring audit charges to be budgeted for by the Convention.

#### **D. United Nations system-wide enterprise resource planning system (Umoja)**

4. The United Nations system-wide enterprise resource planning system (Umoja), deployed at the Environment Programme and the Convention secretariat since June 2015, has further stabilized. The Environment Programme continues to organize training sessions to build staff capacity, both at headquarters and within the Convention secretariat, to further optimize the use of the system and

provides support to resolve technical issues and, where necessary, escalates any problems to the United Nations Secretariat for solution.

5. On 31 March 2017, the Executive Director signed off the annual financial statements for the Environment Programme for the financial year ended 31 December 2016, of which the Convention forms part of the Conventions and Protocols segment. This is the third year in which financial statements were required to be compliant with International Public Sector Accounting Standards and the first year that all financial transactions that form part of the statements had been generated from Umoja. Subsequently the United Nations Board of Auditors performed an audit of the statements and underlying transactions and did not raise any matters that required adjustment to the financial statements. All audit observations and recommendations have been responded to and an unqualified audit opinion on the financial statements of the Environment Programme for the year ended 31 December 2016 has been received.

6. Although the deployment costs of Umoja were paid centrally by the United Nations Secretariat and the Environment Programme, future operating costs, including licence fees, will be passed on to user entities, including the Convention secretariat. The Convention secretariat will be required to contribute to those costs based on a formula that will be provided by the United Nations Secretariat. In 2017, the Executive Director of the Environment Programme agreed to absorb the costs pertaining to all convention secretariats on an exceptional basis, given that such costs had not been budgeted for by convention secretariats in the current cycle.

#### **E. Support provided to the Convention from programme support costs**

7. In accordance with United Nations General Assembly resolution 35/217 and the United Nations procedures for the approval and management of programme support accounts (ST/AI/286), all trust funds are charged programme support costs to ensure that the cost of supporting activities financed from extrabudgetary contributions is not borne by the core resources that are central to the budget review and approval process of the United Nations organizations. For the Environment Programme, the term “extrabudgetary resources” refers to all trust funds distinct from the core budgetary resources, namely the Environment Fund. The standard rate of programme support costs approved by the General Assembly is 13 per cent.

8. The Environment Programme has developed simpler, clearer and more transparent management procedures for programme support costs, through the adoption of a new policy on programme support costs. The secretariats of multilateral environmental agreements were consulted and, if required, further consultations may take place on the operationalization of the policy. Following United Nations standard procedures, the level of resources available to the Environment Programme and the Convention secretariat for programme support in any given year is based on the income generated for that purpose by the delivery of its programme of work in the previous year against its respective trust funds. As in previous years, the posts of three administrative staff members directly assigned to the Convention secretariat have been funded from programme support costs. Those include an administrative and financial management officer (P4), an administrative assistant (G6) and a finance assistant (G6). Programme support costs are also used to finance part of the Environment Programme central administrative functions that support the Convention secretariat, including those performed by the United Nations Office at Nairobi, the United Nations Office at Geneva, the United Nations Secretariat, the Office of Internal Oversight Services and the United Nations Board of Auditors.

9. All convention trust funds continue to be administered by the Executive Director of the Environment Programme and have been extended to 31 December 2019.