

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



Seventieth meeting of the Standing Committee
Rosa Khutor, Sochi (Russian Federation), 1-5 October 2018

REPORT FINANCE AND BUDGET SUBCOMMITTEE (FBSC)

The Finance and Budget Subcommittee (FBSC) of the Standing Committee met four times during the period 1-5 October 2018. The present report contains the recommendations of the Subcommittee for consideration of the Standing Committee.

Mr. Oystein Storkersen (Norway), representing the Europe region, chaired the FBSC during SC70.

The Officer-in-Charge of CITES Secretariat and the Administrative and Fund Management Officer were assisting the meetings of FBSC.

Representatives of all regions except Central and South America and the Caribbean region were present at the meetings as follows:

- Africa: Kenya
- Asia: Japan
- Europe: Norway (chair), Germany and Israel
- North America: United States of America
- Oceania: New Zealand
- Depositary Government: Switzerland

Recommendations

Agenda item 6: Financial matters

The FBSC recommends that the Standing Committee:

- a) Approve the reports on the costed programme of work for the full year of 2017 and for 2018 for the period up to 30 June 2018;
- b) Take note of the projected overspending in 2017 and 2018 related to conference logistics and security costs at governing and scientific body meetings organized in Geneva, which should be offset with appropriate budget saving efforts by the Secretariat;
- c) Approve the amended Terms of Reference for the Finance and Budget Sub-Committee as presented in the working document annex 9; and
- d) Take note of the accumulating unpaid contributions by Parties listed in Annex 5 of the working document which hinders effective execution of the budget by the Secretariat, and request these Parties to resolve any

outstanding unpaid contributions as soon as possible, taking into account the reminders sent by the Secretariat.

Agenda item 7: Report on proposed budget scenarios for 2020-2022

The FBSC recommends that the Standing Committee:

- a) Take note of the report; and
- b) Request the Secretariat to take into account feedback received and outcomes from the 70th meeting of the Standing Committee in preparation of the proposed budget scenarios for the 18th meeting of the Conference of the Parties.

Agenda item 9.1: Administrative matters including host country arrangements for the Secretariat

The FBSC takes note of document SC70 Doc. 9.1 and recommends that the Standing Committee:

- a) Welcome the Convention Support contribution from the Government of Switzerland announced at the 70th meeting at Standing Committee for the years 2019-2022 in the total amount of CHF 4 million and request the Secretariat to ensure that the additional funds are available to be used for the implementation of the programme of work based on Parties priorities and to report on the usage of the funds to the 18th meeting of the Conference of the Parties, subsequent meetings of the Standing Committee, and the 19th meeting of the Conference of the Parties;
- b) Request the Secretariat to work with the United Nations Environment Programme (UNEP) to get clarity on the programme support cost allocations and UNEP's recently introduced Secretariat Services to Multilateral Environmental Agreements (MEAs), and determine whether this is consistent and in full compliance with the existing Memorandum of Understanding between the CITES Standing Committee and the Executive Director of UNEP and, if inconsistencies are found, to suggest possible solutions in consultation with UNEP for consideration by the Conference of the Parties;
- c) Request the Secretariat to get clarity from UNEP regarding the possibility of getting a more detailed audit of CITES financial statements separate from those already included, within the UNEP's, and any associated costs, and report on the results to the 18th meeting of the Conference of the Parties; and
- d) Request the Secretariat, as a means to further enhance efforts to foster transparency and accountability, establish a section on the Convention website to publish information relevant to the governance of the Convention, including inter alia; completed and accepted audit reports; applicable financial rules and regulations; materials related to staff code of conduct and professional ethics; delegation of authorities; Memorandum of Understanding between the CITES Standing Committee and the Executive Director of UNEP; conflict of interest policy; and any other relevant information.

Agenda item 9.2: Administrative hosting models for the Secretariat

The FBSC takes note of the oral reporting in plenary by the Secretariat and recommends that the Standing Committee:

- a) Request the FBSC to continue the work on exploring the potential costs and benefits of alternative administrative hosting arrangements for the CITES Secretariat, on an inter-sessional basis, in line with the terms of reference given at the 69th meeting of Standing Committee; and
- b) Request the Secretariat to continue its efforts to get costing details from UNEP for indirect and direct services, for review by FBSC, including as appropriate, information received through tasks undertaken in fulfilment of agenda item 9.1, and compare costs for services between different service providers which will form the basis for the costing analysis to be presented at the 18th meeting of the Conference of the Parties.