

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



Seventy-fourth meeting of the Standing Committee  
Lyon (France), 7 - 11 March 2022

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 last 18th meeting of the Conference of the Parties (CoP18, Geneva, 2019) and provides information on income and expenditure from 1 January 2019 to 30 September 2021 for both Convention trust funds. The report should be read in conjunction with the document on administrative matters.
3. In addition, quarterly reports are prepared and made available to the Finance and Budget Subcommittee members on the financial status regarding contributions and expenditures for the two trust funds. These reports can be found on the CITES website on page – How is CITES financed? – Quarterly report to FBSC for the triennium 2020-2022: <https://cites.org/eng/disc/fund.php>.

Financial report on costed programme of work for 2019

4. Annex 1 to the present document provides information on the budget performance for the core Trust Fund (CTL) for the year 2019. Out of the total budget of USD 6.6 million, there was a total expenditure including programme support costs amounting to nearly USD 6.4 million, leaving a balance of 4 per cent. The most significant savings are under Governing Bodies and Meeting Services (sub-heading A) and Other operational costs (sub-heading G), mainly due to lower cost for travel of sponsored members to the meetings of the governing and advisory bodies and lower costs for maintenance of office equipment and communications. The latter is a result of the Secretariat now using United Nations Office at Geneva (UNOG) provided mobile phone services, which was negotiated at a lower rate, and joining the UNOG group provided lease of photocopier machines, thus reducing the monthly costs by 14 per cent and 10 per cent, respectively. A slight overspend of 3 per cent was recorded under the Personnel component mainly related to the higher than originally estimated salary costs for core funded staff members.
5. For 2019, the average annual assessed contributions due are nearly USD 6.2 million from 183 Parties and, as of 31 December 2019, full or partial contributions of nearly USD 3.6 million, corresponding to 58 per cent, were received from 84 Parties. For prior years, USD 772,169 was outstanding as of 31 December 2019 (see Annex 4).
6. In accordance with the Resolution Conf. 18.1 on *Financing and the costed programme of work for the Secretariat for the triennium 2020-2022*, the Secretariat has followed-up with Parties who had outstanding contributions of two or more years by sending reminders and approaching Permanent Missions in Geneva.
7. Parties are encouraged to pay outstanding contributions as early as possible to avoid liquidity and funding difficulties for the Secretariat. Parties who have outstanding contributions of two or more years should, jointly with the Secretary-General, decide on a possible payment schedule to permit them to pay all outstanding contributions, depending on the financial circumstances of the Party, and to pay future contributions promptly.

8. The table in Annex 8 shows the various donors and their contributions for specific activities funded from the external Trust Fund (QTL), a total of USD 12.1 million was on deposit by 31 December 2019.

#### Financial report on costed programme of work for 2020

9. For 2020, Annex 2 is showing the budget performance as of 31 December 2020. Out of the total average annual budget of nearly USD 6.2 million, there was a total expenditure including programme support costs amounting to USD 4.8 million or an implementation rate of 78 per cent. The major savings are under the Governing Bodies and Meeting Services (sub-heading A), Scientific Services (sub-heading B) and Other operating costs (sub-heading G) and are mainly due to the postponement of meetings of the Animals, Plants and Standing Committees, delay in recruitment of the two new positions approved at CoP18 (no funding was used from the funds balance as the P-2 position was not filled until 13 March 2021 and the GS post in May 2020) and lower costs for maintaining the office and less official travel. The Secretariat staff was telecommuting full time from mid-March until end of 2020 in line with host country sanitary measures and no official travel was allowed due to the COVID-19 pandemic.
10. The Secretariat has continued its work on identifying other areas for efficiency savings and is now using the below United Nations headquarters (UNHQ), UNOG and United Nations Environment Programme (UNEP) global or local system contacts for:
- Purchase of online platforms (Interactio, Interprefy and Kudo)
  - Purchase of Lenovo computers
  - Purchase of Adobe licenses
  - Purchase of web services
11. As per Notification 2021/015, an intersessional decision was taken by the Standing Committee in February 2021, adopting two recommendations made by the Finance and Budget Subcommittee (FBSC): taking note of the financial report for 2020 as of 30 September and projected savings for the year 2020 for the core Trust Fund (CTL) and to approve on a one-time exceptional basis, transfer of USD 280,700 from expected 2020 savings from the meetings of the governing and advisory bodies for possible organization of these meetings during 2021.
12. Annex 5 is presenting information on the status of the annual assessed contributions as of 31 December 2020. The overall collection rate for 2020 was 75.5 per cent and includes the full or partial contribution of USD 4.7 million received from 74 Parties. For prior years, USD 1,128,458 was outstanding as of 31 December 2020. During the year, two Parties informed that their assessed contribution for 2020 and 2021 would be paid late due to financial constraints.
13. The annual assessed contribution invoices for 2021 sent out in mid-October 2020 introduced a new format as now they are generated by the Umoja UN financial system. The Secretariat worked with UNEP to reconcile data in Umoja with CITES information on past deposits into its bank accounts. The aim is to ensure that the contribution data was fully updated, and correct balances could be generated into the annual invoices for 2021.
14. Annex 9 shows various donors and their contributions for specific activities funded from the external Trust Fund (QTL), a total of USD 9.7 million was deposited by 31 December 2020.

#### Financial report on costed programme of work for 2021 (up to 30 September 2021)

15. Annex 3 is providing information on the budget performance for the core Trust Fund (CTL) for the year 2021 up to 30 September 2021. Out of the total average annual budget of nearly USD 6.2 million, there was a total expenditure including programme support costs amounting to USD 4.5 million or an implementation rate of 73 per cent.
16. The Secretariat is projecting a slight overspend under the professional component, mainly due to the assignment grants of new staff onboarded during 2021. This is balanced by savings of almost the entire official travel budget due to travel restrictions. Further savings are projected in the areas of travel of sponsored members to meetings of the governing and advisory bodies as only online meetings were held in the second quarter of 2021. Furthermore, savings are also projected in the Other operational costs (sub-heading G) related to maintaining the office and equipment as Secretariat staff has continued to mainly telecommute for most of the period in 2021 as per recommendation of UNOG and host country authorities.

17. Annex 6 shows information on the status of the assessed contribution as of 30 September 2021. The overall collection rate for the first nine (9) months of 2021 was 78.2 per cent and includes the full or partial contribution of nearly USD 4.3 million received from 59 Parties.
18. In Annex 7, the annual distribution of unpaid contributions as of 30 September 2021 is presented, which is amounting to USD 2,848,839 including the year 2021. It should be noted that long-standing unpaid assessed contributions will be counted as doubtful debts, and in line with IPSAS, provisions will be made in the accounts to cover the amounts from the reserve, thus reducing the amount available for the use of Parties.
19. Annex 10 shows various donors and their contributions for specific activities funded from the external Trust Fund (QTL), a total of USD 3.1 million was deposited by 30 September 2021.
20. The certified accounts for 2019 and 2020 for the two trust funds are presented in Annexes 11 to 14 (available in English only) and are included as an integral part of the certified accounts of the United Nations Environment Programme for 2019 and 2020. It is expected that the final certified accounts for 2021 will be issued during the second quarter of 2022 and will be published on the CITES website, on which all final certified accounts are published.

Terms of Reference for the Administration of the Trust Fund (CTL) for the Convention on International Trade in Endangered Species of Wild Fauna and Flora

21. The overarching rules for terms of reference (TOR) or financial rules is that they are governed by the UN Financial Regulations and Rules, its Staff Regulations and Rules and other administrative policies or procedures promulgated by the UN Secretary-General and UNEP administrative policies and procedures for those MEAs administered by UNEP.
22. The TOR for the administration of the Trust Fund for CITES is covering the above regulations and rules and should be seen as complementing the text of Resolution Conf. 18.1 on *Financing and the costed programme of work for the Secretariat for the triennium 2020-2022* and continue to be part of it as an Annex.
23. The Secretariat is proposing that no further review or amendment of the current CITES TOR is undertaken.

Registration fees for observer organizations

24. As per paragraphs 25-26 of the Resolution Conf. 18.1 on *Financing and costed programme of work for the Secretariat for the triennium 2020-2022*, the Secretariat has conducted a new survey to complement the one that was presented at SC66 (document 10.1) in 2016 on how registration fees are applied in other MEAs and natural resource management bodies. Table 1 below shows the result.
25. None of the MEAs are charging for observer organizations mainly due to the high transaction costs associated with the administrative burden. For instance, the CITES Finance Assistant is spending up to 50 per cent of their time (3 months prior and during the meetings) managing the registration fees. Both the International Union for Conservation of Nature (IUCN) and the International Whaling Commission (IWC) have fee structures that are based on categories of participants while for the International Tropical Timber Organization (ITTO) the fee structure depends on the kind of meeting, conference, or workshop.
26. The Secretariat has charged registration fees for all observer organizations at meetings of the Conference of the Parties (CoP) since CoP4 (1983) starting with a fee of USD 50, which has been increased over time. As per paragraph 25-26 of Resolution Conf. 18.1, the current fee structure is as follows:

At CoP meetings

- USD 600 for the 1<sup>st</sup> NGO representative and USD 300 for any additional delegate
- USD 100 for international visitors (not applicable to host country visitors)

At meetings of the Animals, Plants and Standing Committees

- USD 100 for each observer delegate

27. The Secretariat is proposing that the current registration fees for observer organizations remains in place and no new categories are introduced considering the administrative costs involved in administering the income. Further review on whether to apply registration fees for online meetings may be considered.

Table 1. Registration fee applied by other MEAs and natural resource management bodies

MEAs and Natural Resource Management Bodies	Registration fees for observer organizations (Yes/No)	Remarks
Convention on Biological Diversity (CBD)	No	No changes to the information provided in 2015/2016
Convention of Migratory Species of Wild Animals (CMS)	No	No fees are charged to any category of participant at any CMS meeting
United Nations Framework Convention on Climate Change (UNFCCC)	No	No changes to the information provided in 2015/2016
Basel Convention on the control of transboundary movement of hazardous waste and their disposal	No	No changes to the information provided in 2015/2016
Rotterdam Convention on Prior Informed Consent	No	No changes to the information provided in 2015/2016
Stockholm Convention on Persistent Organic Pollutants	No	No changes to the information provided in 2015/2016
Vienna Convention for the Protection of the Ozone Layer	No	No changes to the information provided in 2015/2016
Montreal Protocol on Substances that Deplete the Ozone Layer	No	No changes to the information provided in 2015/2016
Ramsar Convention on Wetlands	No	No changes to the information provided in 2015/2016
International Union for Conservation of Nature (IUCN)	Yes	<p>A registration fee for participation in the World Conservation Congress is charged. Fees are charged according to below categories:</p> <ul style="list-style-type: none"> <li>• members,</li> <li>• commission members and national/regional committee representatives,</li> <li>• general youth and</li> <li>• accompanying persons</li> </ul> <p>The fees are also depending on timing of registrations, i.e., “early bird” and standard registrations. The fees range from EUR 180 up to 1,200 depending on the category and whether early or standard registration.</p>
International Whaling Commission (IWC)	Yes	<p>The Commission charges a fee for the attendance of observers at its meetings. For 2020, it has set the fee for non-member governments, regional integration organizations and international governmental organizations at GBP 835 for each observer. However, the fee is waived in the case of international governmental organizations with whom IWC has reciprocal arrangements for the exchange of observers. For non-governmental organizations, the fee is GBP 628 for the first observer per organization and GBP 309 for each additional observer. No fee is charged for media representatives.</p>
International Tropical Timber Organization (ITTO)	Yes	<p>No registration fee is charged for attendance at the Council Session. ITTO has different levels of participant and conference fees depending on the kind of meeting/ conference/workshop is organized. The fees are in the range from zero to USD 300 for delegates, USD 150 for students and USD 80 for accompanying person. The conference fee might be higher depending on location of the conference.</p>

## Recommendations

28. The Secretariat recommends that the Standing Committee:

- a) approve the reports on the costed programme of work for the full years of 2019 and 2020, and for the period up to 30 September 2021 for 2021; and
- b) take note of other information provided in the report.

Annex 1 – Financial report on costed programme of work for the Secretariat for 2019 as of 31 December 2019

Annex 2 – Financial report on costed programme of work for the Secretariat for 2020 as of 31 December 2020

Annex 3 – Financial report on costed programme of work for the Secretariat for 2021 as of 30 September 2021

Annex 4 – CITES Trust Fund (CTL) contributions as of 31 December 2019

Annex 5 – CITES Trust Fund (CTL) contributions as of 31 December 2020

Annex 6 – CITES Trust Fund (CTL) contributions as of 30 September 2021

Annex 7 – Annual distribution of unpaid contributions (CTL) as of 30 September 2021

Annex 8 – CITES Trust Fund (QTL) contributions as of 31 December 2019

Annex 9 – CITES Trust Fund (QTL) contributions as of 31 December 2020

Annex 10 – CITES Trust Fund (QTL) contributions as of 30 September 2021

Annex 11 – Statement of income and expenditure for CTL as of 31 December 2019

Annex 12 – Statement of income and expenditure for QTL as of 31 December 2019

Annex 13 – Statement of income and expenditure for CTL as of 31 December 2020

Annex 14 – Statement of income and expenditure for QTL as of 31 December 2020