

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

Seventh Meeting of the Conference of the Parties

Lausanne (Switzerland), 9 to 20 October 1989

Financing and Budgeting of the Secretariat
and of Meetings of the Conference of the Parties

FINANCIAL REPORT FOR 1987-1988

Report from the Secretariat

1. This document reports on expenditures for both the 1987 and 1988 calendar years. The financial bases for the Secretariat and for meetings of the Conference of the Parties were established for 1987 by Resolution Conf. 5.1 adopted at the fifth meeting of the Conference of the Parties (Buenos Aires, 1985), and for 1988 by Resolution Conf. 6.2 adopted at the sixth meeting of the Conference of the Parties (Ottawa, 1987). The Terms of Reference and Budget Estimates for 1982-83, 1984-85, 1986-87 and 1988-89 adopted respectively at the New Delhi, Gaborone, Buenos Aires and Ottawa meetings have served as guidelines for the Secretariat operations. In accordance with Sections 6 and 7 of the Terms of Reference, a 1990-92 Budget Estimate and a Medium Term Plan for the period 1990-1995 (document Doc. 7.11) were dispatched to the Parties on 7 July 1989 under Notification No. 551.
2. The average rate of exchange for the US dollar versus the Swiss franc in 1987 was 1.50, while the budget was approved at a rate of 2.64 Swiss francs for the dollar. Thus the approved budget of US\$ 797,441, if adjusted to reflect the actual currency value in 1987, would have to be read as US\$ 1,164,264 against which the expenditure incurred amounted to US\$ 1,072,788. Thus the Secretariat, in real terms, has effected an operation well within the budget approved.
3. As a result of the very serious financial crisis experienced in 1986 and 1987 resulting from the drastic drop of the rate of exchange of the US dollar versus the Swiss franc, the Secretariat developed a special financial plan for 1988 and 1989, aiming at restoring the Trust Fund to acceptable proportions by the end of 1989.
4. This plan which was submitted to the Standing Committee at its seventeenth meeting (San José, Costa Rica, 25-29 January 1988) called for a reduction of expenditures for 1988 from US\$ 1,389,000 approved in the budget to US\$ 839,000 and for 1989 from US\$ 1,611,000 approved in the budget to US\$ 1,251,000. This financial plan was sanctioned by the Standing Committee.

5. While the Secretariat has almost reached its objectives in 1988 with expenditures amounting to US\$ 866,421, it hopes to do the same in 1989 (see document Doc. 7.9). This shall result in a reduction of approximately US\$ 900,000 of the expenditures for the biennium 1988-1989 allowing for the payment of amounts advanced by the UNEP and for the rebuilding of the cash reserve.
6. The achievement of this objective has been made possible in 1988 only with the generosity of several Parties to the Convention, namely France, the United Kingdom and Switzerland which have contributed directly to the Trust Fund above their assessed contributions, and with the co-operation and understanding of the Executive Director of UNEP. It should also be noted that, because of the financial restrictions, 1988 was one of the most difficult years for the Secretariat which has been seriously hampered in its activities.
7. This document includes the following:
 - Annex 1: 1987 accounts
 - Annex 2: 1988 accounts.

REVISED EXPENDITURES FOR 1987
(in current US\$)

BUDGET LINE	DESCRIPTION	APPROVED BUDGET	INCURRED EXPENDITURES	SURPLUS/ DEFICIT
COMPONENT 10				
1100	Professional staff salaries	247,000	295,477	(48,477)
	Sub-total	247,000	295,477	(48,477)
1200	Consultants	5,000	4,097	903
	Subtotal	5,000	4,097	903
1300	a) General support staff salaries	132,700	322,435	(189,735)
	b) Temporary assistance during COP meetings (translat. etc.)	120,000	46,952	73,048
	Sub-total	252,700	369,387	(116,687)
1600	Travel on official business	18,000	24,722	(6,722)
1601	Travel in connection with the COP			
1698	Prior years adjustment			
	Sub-total	18,000	24,722	(6,722)
Total Component 10		522,700	693,683	(170,983)
COMPONENT 20				
2101	Sub-contract (nomenclature)	20,000	21,388	(1,388)
2102	Sub-contract to WTMU-CMC	44,000	52,545	(8,545)
2103	Sub-contract to IUCN/Bonn (survey legislation)		4,157	(4,157)
2198	Prior years adjustment			
	Sub-total	64,000	78,090	(14,090)
Total Component 20		64,000	78,090	(14,090)
COMPONENT 30				
3202	Meeting of the Standing Committee	25,000		25,000
3203	2nd Technical Committee Meeting			
3298	Prior years adjustment		3,630	(3,630)
	Sub-total	25,000	3,630	21,370

BUDGET LINE	DESCRIPTION	APPROVED BUDGET	INCURRED EXPENDITURES	SURPLUS/ DEFICIT
3301	Meeting of the Parties		7,413	(7,413)
	Sub-total		7,413	(7,413)
		=====	=====	=====
	Total Component 30	25,000	11,043	13,957
COMPONENT 40				
4100	Expendable equipment	2,750	9,177	(6,427)
4198	Prior years adjustment			
	Sub-total	2,750	9,177	(6,427)
4200	Non-expendable equipment	7,300		7,300
4201	Other non-expendable equipment			
4298	Prior years adjustment		-1,310	1,310
	Sub-total	7,300	-1,130	8,610
4300	Premises (rent)	18,250	36,799	(18,549)
	Sub-total	18,250	36,799	(18,549)
		=====	=====	=====
	Total Component 40	28,300	44,666	(16,366)
COMPONENT 50				
5100	Operation and maintenance			
5101	Rental of computer	3,650	7,818	(4,168)
5102	Rental of photocopier	13,750	27,431	(13,681)
5103	Insurance	7,450	1,466	5,984
5104	Installation of office equipment			
5105	Others			
5198	Prior years adjustment			
	Sub-total	24,850	36,715	(11,865)
5200	Reporting costs			
5201	Identification Manual			
5202	a) Proceedings COP and other publications	12,750	7,631	5,119
5202	b) Reporting costs during the COP		13,871	(13,871)
5203	Security stamps		19,285	(19,285)
5204	Other publications			
5298	Prior years adjustment			
	Subtotal	12,750	40,787	(28,037)
5300	Sundry			
5301	Communications (telex, telephone, etc.)	23,100	32,579	(9,479)
5301	Freight, etc.	5,000		5,000
5303	Logistics for the COP			

BUDGET LINE	DESCRIPTION	APPROVED APPROVED	INCURRED EXPENDITURES	SURPLUS/ DEFICIT
5304	Other misc. cost (contingency)		8,631	(8,631)
5398	Prior years adjustment			
	Sub-total	28,100	41,210	(13,110)
5400	Hospitality		-79	79
	Sub-total		-79	79
	Total Component 50	65,700	118,633	(52,933)
COMPONENT 60				
6000	UNEP overhead (13%)	91,741	126,673	(34,932)
	Sub-total	91,741	126,673	(34,932)
	Total Component 60	91,741	126,673	(34,932)
	GRAND TOTAL	797,441	1,072,788	(275,437)

REVISED EXPENDITURES FOR 1988
(in current US\$)

BUDGET LINE	DESCRIPTION	APPROVED BUDGET	INCURRED EXPENDITURES	SURPLUS/ DEFICIT
COMPONENT 10				
1100	Professional staff salaries	458,000	358,154	99,846
	Sub-total	458,000	358,154	99,846
1200	Consultants	5,000	27,580	(22,580)
	Sub-total	5,000	27,580	(22,580)
1300	a) General support staff salaries	274,000	230,775	43,225
	b) Temporary assistance during COP meetings (translat. etc.)	13,000		13,000
	Sub-total	287,000	230,775	56,225
1600	Travel on official business	58,000	22,716	35,284
1601	Travel in connection with the COP	12,000	6,554	5,446
1698	Prior years adjustment		(1,730)	1,730
	Sub-total	70,000	27,540	42,460
Total Component 10		820,000	644,049	175,951
COMPONENT 20				
2101	Sub-contract (nomenclature)	30,000	5,000	25,000
2102	Sub-contract to WTMU-CMC	75,000	73,778	1,222
2103	Sub-contract to IUCN/Bonn (survey legislation)	60,000	4,508	55,492
2198	Prior years adjustment		(5,000)	5,000
	Sub-total	165,000	78,286	86,714
Total component 20		165,000	78,286	86,714
COMPONENT 30				
3202	Meeting of the Standing Committee	25,000		25,000
3203	2nd Technical Committee Meeting			
3298	Prior years adjustment			
	Sub-total	25,000		25,000

BUDGET LINE	DESCRIPTION	APPROVED BUDGET	INCURRED EXPENDITURES	SURPLUS/ DEFICIT
3301	Meeting of the Parties			
	Sub-total	25,000		25,000
	Total Component 30	25,000		25,000
COMPONENT 40				
4100	Expendable equipment	7,000	8,624	(1,624)
4198	Prior years adjustment			
	Sub-total	7,000	8,624	(1,624)
4200	Non-expendable equipment	5,000	16,392	(11,392)
4201	Other non-expendable equipment			
4298	Prior years adjustment		(821)	821
	Sub-total	5,000	15,571	(10,571)
4300	Premises (rent)	40,000	44,321	(4,321)
	Sub-total	40,000	44,321	(4,321)
	Total Component 40	52,000	68,516	(16,516)
COMPONENT 50				
5100	Operation and maintenance		218	(218)
5101	Rental of computer	7,000	7,126	(126)
5102	Rental of photocopier	25,000	19,769	5,231
5103	Insurance		1,170	(1,170)
5104	Installation of office equipment		881	(881)
5105	Others		3,039	(3,039)
5198	Prior years adjustment			
	Sub-total	32,000	32,203	(203)
5200	Reporting costs		6	(6)
5201	Identification Manual	50,000	39,113	10,887
5202	a) Proceedings COP and other publications	20,000	(2,727)	22,727
5202	b) Reporting costs during the COP			
5203	Security stamps		14,943	(14,943)
5204	Other publications		(12)	12
5298	Prior years adjustment		(8,795)	8,795
	Sub-total	70,000	40,528	27,472
5300	Sundry			
5301	Communications (telex, telephone, etc.)	45,000	70,475	(25,475)
5301	Freight, etc.	10,000		10,000
5303	Logistics for the COP		(1)	(1)

BUDGET LINE	DESCRIPTION	APPROVED BUDGET	INCURRED EXPENDITURES	SURPLUS/ DEFICIT
5304	Other misc. cost (contingency)	10,000	3,071	6,929
5398	Prior years adjustment			
	Sub_total	65,000	73,545	(8,545)
5400	Hospitality		1,499	(1,499)
	Sub_total		1,499	(1,499)
	Total Component 50	167,000	149,775	17,225
COMPONENT 60				
6000	UNEP overhead (13%)	160,000	122,281	37,719
	Subtotal	160,000	122,281	37,719
	Total Component 60	160,000	122,281	37,719
	GRAND TOTAL	1,389,000	1,062,907	326,093

Notes:

- i) Included in the 1988 expenditures are the following:
 - a US\$ 38,000 special contribution by Switzerland
 - a US\$ 43,000 special contribution by the United Kingdom
 - a US\$ 45,000 contribution by the Government of France for the secondment of one professional staff member.
- ii) In addition, after closing 1988 accounts, an overcharge of approximately US\$ 50,000 was discovered under personnel component; this amount will be credited in 1989.
- iii) Total expenditures from the assessed contributions to the Trust Fund amount to US\$ 863,032 (calculated by adding the 13% UNEP overhead of US\$ 99,282 to the actual expenditures of US\$ 763,745) leaving a surplus of US\$ 525,968 (US\$ 1,389,000 - US\$ 863,032) over the approved budget.