

DRAFT RESOLUTION OF THE CONFERENCE OF THE PARTIES*

Financing and budgeting of the Secretariat and of meetings of the Conference of the Parties

RECALLING that the financial amendment to the Convention, adopted in Bonn in 1979, entered into force on 13 April 1987;

RECALLING Resolution Conf. 11.2 adopted at the 11th meeting of the Conference of the Parties (Gigiri, 2000);

HAVING NOTED **the 2000-2001 report on actual expenditures** presented by the Secretariat (CoP12 Inf. 2, Annexes 1 and 2);

HAVING NOTED the revised estimates of expenditures for 2002 presented by the Secretariat (CoP12 Inf. 3);

HAVING REVIEWED the 2003–2005 budget estimates submitted by the Secretariat (**document Doc. 9.1 (Rev. 1), Annex 1**) and the report of the Budget Working Group (document CoP12 Com. II. 5);

RECOGNIZING the continuing need for administrative and financial arrangements between the Parties and the Executive Director of UNEP;

NOTING the considerable increase in the number of Parties to the Convention; the need for greater assistance to the Parties to achieve more effective implementation; the necessity to implement the various Decisions and Resolutions of the Conference of the Parties; and the resulting increasing expenditure incurred by the Secretariat;

NOTING also the serious economic difficulties being experienced by certain Parties and the need to allow for flexibility in application of the UN scales of assessment to the countries concerned;

THE CONFERENCE OF THE PARTIES TO THE CONVENTION

ACCEPTS the expenditures for 2000–2001 and TAKES NOTE of the estimates of expenditure for 2002;

APPROVES the 2003-2005 budget (Annex 2);

DECIDES that the budget for the triennium 2003–2005 shall be covered by average annual contributions from Parties which shall be increased by six per cent as compared to annual average contributions for the previous biennium;

REQUESTS the Secretariat to maintain an operating cash reserve of USD 700,000 to ensure a financial liquidity and AUTHORIZES the Secretariat to draw additional funds from the CITES Trust Fund balance at the end of each year, provided that it is not reduced below USD 700,000 at the commencement of each year;

REQUESTS the Secretariat to identify, for review by the Standing Committee, items directed by the Conference of the Parties and the technical committees which are either insufficiently funded or will require external budgetary resources;

APPROVES the Terms of Reference for the Administration of the Trust Fund, attached to this Resolution, for the financial period beginning on 1 January 2003 and ending on 31 December 2005;

* *This document has been prepared by a working group of Committee II on the basis of document CoP12 Doc. 9.1 (Rev. 1), Annex 5.*

AGREES:

- a) that contributions to the Trust Fund shall be based on the United Nations scale of assessment, as amended from time to time, adjusted to take account of the fact that not all members of the United Nations are Parties to the Convention;
- b) that any other basis of assessment of contributions shall not be used without the consent of all Parties present and voting at a meeting of the Conference of the Parties;
- c) that any change in the basic scale of contributions which would increase the liability of a Party to contribute, or would impose a new such liability, shall not apply to that Party without its consent, and that any proposal to change the basic scale of contributions from that currently in use shall only be considered by the Conference of the Parties if notice of such proposal has been communicated by the Secretariat to all Parties at least 90 days before the meeting; and
- d) that Parties should pay their contributions to the Trust Fund in accordance with the agreed scale as in the Table attached to this Resolution and, whenever possible, should make special contributions to the Trust Fund above their assessed contributions;

REQUESTS all Parties to pay their contributions as far as possible during the year prior to the one to which they relate or, in any case, promptly by the beginning of the calendar year to which the contributions apply;

APPEALS strongly to those Parties which, for legal or other reasons, have so far been unable to contribute to the Trust Fund to do so;

URGES all Parties that have not yet done so to deposit as soon as possible an instrument of acceptance of the amendments to the Convention adopted on 22 June 1979 and 30 April 1983;

INVITES States not Parties to the Convention, other governmental, inter-governmental and non-governmental organizations, and other sources to consider contributing to the Trust Fund;

INVITES all Parties to support, through their representatives in UNEP, UNDP and the World Bank, the requests of the Secretariat for additional funding of CITES projects by the Global Environment Facility;

DECIDES that the standard participation charge for all observer organizations other than the United Nations and its specialized agencies shall be set at a minimum of USD 600 (except as otherwise decided by the Secretariat as required) and **URGES** such organizations to make a greater contribution if possible at least to meet their effective costs of participation;

REFERS the issue of a three-year budget cycle to the Standing Committee for its review and endorsement;

REQUESTS the Standing Committee to develop future budget containment strategies as follows:

- a) Facilitate the collection of arrears through innovative payment strategies and develop an approach for dealing with non-payment of dues;
- b) Consider bidding out relocation of the Secretariat to lower cost location;
- c) Negotiate reduction of Programme Support costs from 13% with the Executive Director of UNEP;
- d) Review overall travel costs and identify means to reduce expenditures;

- e) Review any COP agenda items not requested by the Parties to ensure they are relevant to the meeting Agenda;
- f) Consider increasing minimum contribution to the CITES Trust Fund;
- g) Investigating options regarding a Host Country Agreement with Switzerland;
- h) Review possible cost-saving measures related to translation and interpretation.

INVITES the Government of Switzerland, as the Host Country, to cover the cost related to the office space and office maintenance of the Secretariat, including Internet connection, since no such budgetary provision was made by the Conference of the Parties ;

APPROVES the Secretariat's reports; and

DECIDES that:

- a) in respect of the review of activities in any work unit, the Secretary-General shall have the authority to make staffing decisions as necessary to implement the priorities of the Parties within the overall budget and in accordance with the UN rules; and
- b) any work of the Secretariat deriving from a new resolution or decision shall only be undertaken if additional funds are approved or if existing work carried out under the Trust Fund is reprioritized at the time such a resolution or decision is adopted by the Conference of the Parties.

Annex 1

TERMS OF REFERENCE FOR THE ADMINISTRATION OF THE TRUST FUND FOR THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA

1. The Trust Fund for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (hereinafter referred to as the Trust Fund) shall be further continued for a period of three years (1 January 2003–31 December 2005) to provide financial support for the aims of the Convention.
2. Pursuant to the Financial Regulations and Rules of the United Nations, the Executive Director of the United Nations Environment Programme (UNEP), with the approval of the Governing Council of UNEP and the Secretary-General of the United Nations, shall continue the Trust Fund for the administration of the Convention.
3. The Trust Fund shall cover the financial period of three calendar years which begins on 1 January 2003 and ends on 31 December 2005.
4. The appropriations of the Trust Fund for the first financial period shall be financed from:
 - a) the contributions made by the Parties by reference to the attached Table including contributions from any new Parties which are to be added to the Table;
 - b) contributions from States not Parties to the Convention, other governmental, inter-governmental and non-governmental organizations and other sources; and
 - c) any uncommitted appropriations from any of the financial periods prior to 1 January 2003.

5. The budget estimates covering the income and expenditure for each of the calendar years constituting the financial period to which they relate, prepared in US dollars, shall be submitted for approval to the regular meeting of the Conference of the Parties to the Convention.
6. The estimates for each of the calendar years covered by a financial period shall be specified according to objects of expenditure and shall be accompanied by such information as may be required by, or on behalf of, the contributors and such further information as the Executive Director of UNEP may deem useful and advisable.
7. The proposed budget, including all the necessary information, shall be dispatched by the Secretariat to all Parties at least 90 days before the date fixed for the opening of the regular meeting of the Conference of the Parties.
8. The budget shall be adopted by a 3/4 majority of the Parties present and voting at the regular meeting.
9. In the event that the Executive Director of UNEP expects that there might be a shortfall in resources, over the year as a whole, he shall consult with the Secretary-General of the Convention, who shall seek the advice of the Standing Committee as to its priorities for expenditure.
10. The Secretary-General of the Convention is authorized, to the extent consistent with the Financial Regulations and Rules of the United Nations, to make transfers from one budget line to another up to a maximum of 20 per cent over and above the annual amount foreseen in the budget under any budget sub-component (e.g. 11, 12, 13, etc.) provided that such action does not negatively affect any high-priority items. When any such transfers are made, these shall be reported to the Standing Committee at its following meeting. Any budget adjustments on a specific budget sub-component over and above the 20 per cent flexibility mentioned above may be made only after they have been agreed by the Standing Committee. However, the total budget approved by the Parties for that financial period shall not be exceeded unless this is specifically sanctioned in writing by the Standing Committee.
11. Commitments against the resources of the Trust Fund may be made only if they are covered by the necessary income of the Convention.
12. All contributions shall be paid in any convertible currency. The amount of any payment, however, shall be at least equal to the amount payable in US dollars on the day the contribution is made. Contributions from States that become Parties after the beginning of the financial period should be made on a pro-rata basis for the balance of the financial period.
13. At the end of each calendar year of a financial period, the Executive Director of UNEP shall submit to the Parties the accounts for the year. He shall also submit, as soon as practicable, the audited accounts for the financial period.
14. The Secretary-General of the Convention shall provide the Standing Committee with an estimate of proposed expenditure over the coming calendar year simultaneously with, or as soon as possible after, distribution of the accounts and reports referred to in the preceding paragraphs.
15. The general procedures governing the operations of the Fund of UNEP and the Financial Regulations and Rules of the United Nations shall govern the financial operations of the Trust Fund for the Convention.
16. These Terms of Reference shall be effective for the financial period of 1 January 2003 to 31 December 2005 subject to amendments at the 13th meeting of the Conference of the Parties.

