

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

Twelfth meeting of the Conference of the Parties  
Santiago (Chile), 3-15 November 2002

Strategic and administrative matters

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

BUDGET FOR 2003-2005

1. This document has been prepared by the Secretariat.

Introduction

2. The core administrative costs of the Secretariat, the Conference of the Parties and its subsidiary bodies, the Standing Committee and the other permanent committees are financed from the CITES Trust Fund. This Trust Fund is replenished from contributions from the Parties to the Convention based on the United Nations scale of assessment, adjusted to take account of the fact that not all members of the United Nations are Parties to the Convention.
3. The budget for the triennium 2003-2005 is to be adopted by the Conference of the Parties at its 12th meeting.
4. The proposed budget for the triennium 2003-2005, annexed to this document, builds upon the existing structure of activities of the Convention. In the presentation of the budget, the Secretariat has followed the recommendations of the Standing Committee at its 45th and 46th meetings resulting from discussions in the Finance Subcommittee.

Proposed budget for 2003-2005

5. The Secretariat presents to the Conference of the Parties herewith a proposed budget for 2003-2005, which reflects a 15 per cent reduction in the Secretariat's budget compared to that for the 2000-2002 budget period. This proposed budget is shown in Annex 1 to this document.
6. The Secretariat has implemented the agreement by the Standing Committee to change the currency of the budget from the Swiss franc (CHF) to the United States dollar (USD). The estimates given in CHF are indicative and have been calculated using the exchange rate of USD 1.00 = CHF 1.70. These estimates are provided in Annex 1a for reference only.
7. Requirements for the triennium 2003-2005 by category of expenditures are presented in Annex 1. The budget shows a breakdown of costs for the following items: Secretariat's staff; the maintenance of the office; meetings of the Conference of the Parties, Standing Committee and other permanent committees; publications and other activities.
8. The total proposed budget for 2003-2005 amounts to USD 14,979,000 giving an annual average figure of USD 4,993,000 as compared to the annual average budget of USD 5,896,667 for 2000-2002.
9. **At its 47<sup>th</sup> meeting, the Standing Committee requested the Secretariat to provide a comparison between the average actual expenditures for 2002-2002 and the budget proposed for 2003-2005. Annex 2 shows the cost savings proposed for 2003-2005 as compared to the 2000-2002 budget approved by the Conference of the Parties at its 11<sup>th</sup> meeting and the actual expenditures incurred by the Secretariat in the same period. The Secretariat was able to generate savings of USD 330,135 per**

annum compared to the approved budget for the past triennium (compare column A with column B in Annex 2). The Secretariat proposes to implement additional savings in the triennium 2003-2005 by further reducing its administrative expenses and programme of work. (refer to Column E in Annex 2). Some discrete programmes are deleted (see Annex 2). Furthermore, the Secretariat proposes to convene regular meetings of the Conference of the Parties every third year rather than every other year, and this has reduced further the budget presented here. The savings the Secretariat estimates for 2003-2005 amounts to USD 573,532 annually as compared to the average annual expenditures in 2000-2002. (see Column E in Annex 2).

10. It has to be stressed that the proposed budget represents the Secretariat's best estimates of its work in order to achieve maximum efficiencies without jeopardizing the current work programmes. The Secretariat considers the proposed budget as a minimum core budget that provides the Secretariat with minimum human and financial resources to implement its basic responsibilities. It will not allow the Secretariat to increase its activities in any important policy area, nor contribute to address the need for increased efforts towards the implementation of the Strategic Vision through 2005. Any reduction in this budget will lead consequently to a further significant reduction in the Secretariat's ability to implement its programme of work as laid down in decisions of the Conference of the Parties.

#### Financing of the budget 2003-2005

11. Projecting that there will be no drawdown funds available in the Trust Fund by the end of 2002, the 2003-2005 triennium budget will have to be fully financed by annual contributions of the Parties. The annual contributions sought from the Parties for the triennium 2003-2005 amount to USD 4,993,000, which represents a 12 per cent increase over the contributions for the biennium 2001-2002 (USD 4,461,000 per annum).
12. The indicative scale of contributions is presented in Annex 3. Following a recommendation made at the 45th meeting of the Standing Committee, the Secretariat applied the United Nations scale of assessment for 2003 to calculate the contributions of the Parties to the CITES Trust Fund for the triennium 2003-2005.
13. Annex 4 details the Convention programmes that would need to be discontinued if the Parties decided not to increase their annual contributions by 12 per cent for the triennium 2003-2005.

#### Draft resolution on the 2003-2005 budget

14. A draft resolution on the budget for the triennium 2003-2005 with the revised terms of reference for the CITES Trust Fund is presented in Annex 5 for consideration by the Conference of the Parties.
15. The following amendments, which were agreed by the Standing Committee, are proposed for approval by the Parties:
  - The change of the currency of the budget and the assessed contributions from the Swiss franc to the US dollar.
  - The delegation of the authority to the Secretary General of the Convention, 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.
  - The change of the two- and three-year budget periods to a three-year period with the discontinuation of the medium-term budgets. One consequence of this change is that meetings of the Conference of the Parties should be held every third year rather than every second year.