

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 of meetings of the Conference of the Parties

FINANCIAL REPORT FOR 2000 AND 2001

1. This document has been prepared by the Secretariat and reports on the financial performance of the CITES Trust Fund since the 11th meeting of the Conference of the Parties. The document provides information on the actual expenditures in 2000 (Annex 1), actual expenditures in 2001 (Annex 2), paid and unpaid contributions (Annexes 3a, 3b and 3c), the actual income and expenditures as of 31 December 2001 (Annex 4), and the estimated income and expenditures to 31 December 2002 (Annex 5). It also provides the certified accounts of the CITES Trust Fund for 2000-2001 (Annexes 6a and 6b).
2. This document is submitted to the Conference of the Parties for information.

Actual expenditures in 2000

3. Annex 1 of this document shows the actual expenditures incurred in 2000. All figures are shown in Swiss francs. The conversion rate used to calculate the expenditures in Swiss francs from the UNEP accounts maintained in US dollars is USD 1.00 = CHF 1.69, which is the average of the UN monthly operational rates for the year 2000.
4. The actual expenditures in 2000 amounted to CHF 7.91 million, which is 79 per cent of the budget of CHF 10.01 million approved by the Conference of the Parties. Most of the savings were made under the budget lines for staff salaries as a result of the delayed recruitment of new personnel. There were also some savings under budget lines for subcontracts and meetings mostly because of the credit resulting from the cancellation of certain obligations from prior years.
5. The expenditures exceeded the approved 2000 budget under some budget lines: Translation of documents (line 1201), Salary/travel of Conference staff to CoP11 (line 1321), General travel (line 1601), Travel of the Secretariat staff to CoP11 (line 1602), National legislation (line 2105), CITES Checklist (line 2112), Animals Committee (line 3303), Criteria Working Group (line 3307), Office maintenance costs (line 4301), Maintenance of photocopies (line 5102) and CoP-related documents (line 5201). All of these increases were approved by the CITES Standing Committee, as required by Resolution Conf. 11.2. In most of these cases the expenditures exceeded the expectations because of the unfavourable exchange rate of the Swiss franc to the US dollar in the year 2000. The indicative exchange rate of CHF 1.50 to the USD was applied when the budget was presented at CoP10, while the average conversion rate used to calculate the expenditures in Swiss francs from the official UNEP accounts maintained in US dollars was 1.69 in 2000. With regard to the expenditures directly related to the servicing of the 11th meeting of the Conference of the Parties, it should be noted that the cost of translation and reproduction of documents was entirely covered from the Trust Fund budget since there were no external funds available to absorb these costs.

Actual expenditures in 2001

6. Annex 2 shows the actual expenditures in 2001. These amounted to CHF 7.42 million, which is 98 per cent of the budget of CHF 7.59 million approved by the Conference of the Parties. This percentage is the highest in

the history of the Convention and was made possible by careful planning and budgeting and timely transfers under the procedure referred to in paragraph 7.

7. Following the procedure agreed on at the 45th meeting of the Standing Committee, the Secretariat consulted with the Chairman of the Standing Committee and sought his approval to transfer savings resulting from the personnel component and the prior years' adjustments to high-priority activities such as training, capacity building and regional assistance. A new line 'Sturgeon verification missions' (line 3301a) was established to facilitate the implementation of the Standing Committee's decision about verification missions to the Caspian littoral countries related to the trade in sturgeon.
8. The expenditures exceeded the approved 2001 budget under some budget lines: Translation of documents (line 1201), General consultancy (line 1202), Technical assistance (line 1203), Travel of staff (line 1601 and 1602), Significant trade – animals (line 2103), Significant trade-plants (line 2104), Seminars (line 3201), Training courses (line 3202), Plants Committee (line 3302), Animals Committee (line 3303), Maintenance of the office (line 4301), Maintenance of photocopiers (line 5102), CoP-related documents (line 5201), Permits on security paper (line 5203), Communications (line 5301), Logistic for regional seminars (line 5303) and Hospitality (line 5401).
9. In all these cases the increased cost was accommodated through the adjustments of the budget lines under the procedure referred to in paragraph 6 and was approved by the CITES Standing Committee, as required in Resolution Conf. 11.2.

Paid and unpaid contributions to the CITES Trust Fund.

10. The status of contributions to the CITES Trust Fund is reported in Annex 3a. By 31 December 2001 only 73 Parties had fully paid their contributions for 2001 and all previous years. The remaining 81 Parties i.e. 52 per cent of the CITES Parties, had fallen into arrears with their contributions over the years 1992-2001.
11. The actual contributions received in 2000 and 2001 are shown in Annex 3b. The figures reflect the cumulative total amount received by the end of each month. The money received to cover the current and future years' contributions as opposed to those of prior years have been indicated separately.
12. Annex 3c provides the information on the outstanding contributions to the CITES Trust Fund. The total unpaid contributions for 2001 and prior years as of 31 May 2002 stood at 786,904.67 out of which CHF 279,920.08 was due for 2001, CHF 162,454.15 for 2000 and CHF 344,529.56 for 1999 and prior years.

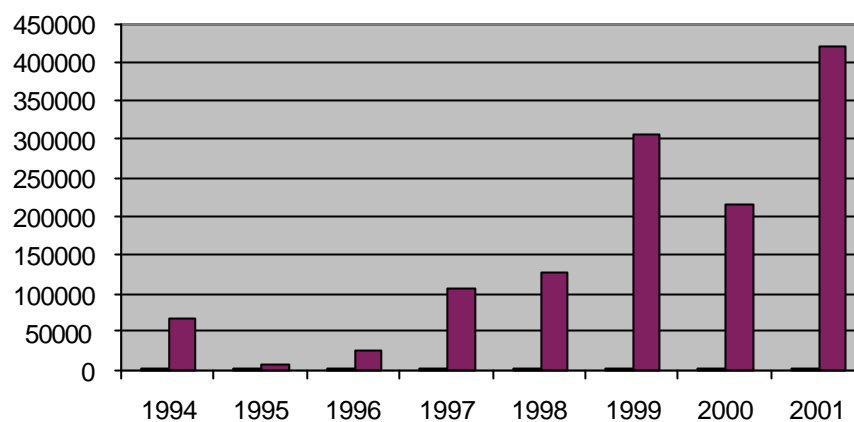
Income and expenditures for 2000 and 2001

13. Annex 4 provides the information on accumulated Trust Fund balances.
14. Annex 5 provides an overview of the income to and expenditures from the Trust Fund in the years 2000-2002. The 2000-2001 figures are actual and consistent with the audited and certified accounts of UNEP. The projection of the income and expenditure for the year 2002 lead to an estimated fund balance of CHF 1.53 million at the end of the biennium 2001-2002 of which CHF 1 million represents the Trust Fund operational reserve.

CITES Investments

15. At the 10th meeting of the Conference of the Parties the Secretariat was requested to investigate possibilities for increasing yields on invested cash balance. The Secretariat had streamlined its financial forecasting and invested funds for longer periods of time, which enhanced the interest yields obtained. Furthermore the Secretariat has liquidated its investment in US dollars with the UBS bank in Geneva and started investing the CITES cash balances in US dollars through the United Nations Cash Concentration System to maximize return on the invested funds. The graph below shows the changes in the income generated by the CITES investments over the years 1994-2001. The interest income shows an increase from the lowest level of CHF 7,766 in 1995 to the highest return of CHF 419,175 received in 2001.

Interest income in CHF for 1994-2001



Certified accounts

16. The certified accounts of the Trust Fund of the Convention for 2000-2001 are attached as Annexes 6a and 6b. Annex 6a presents the official statement of accounts as contained in the UNEP accounts while Annex 6b presents the correction done to a misposted income which belongs to the voluntary contributions account. This correction has already been made in the UNEP accounts. These accounts have been certified as correct and in accordance with the accounting policies and financial regulations and rules of the United Nations. The certified accounts for the CITES Trust Fund are included as an integral part of the certified accounts of UNEP for the biennium 2000-2001.