

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



Sixteenth meeting of the Conference of the Parties
Bangkok (Thailand), 3-14 March 2013

Administrative matters

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

BUDGETARY PROPOSALS FOR 2014 TO 2016

1. This document has been prepared by the Secretariat.
2. The 2012 United Nations Conference on Sustainable Development, commonly known as Rio+20, recognized the important role of CITES, in paragraph 203 of its outcome document *The Future We Want* (A/RES/66/288)¹ (emphasis added):

We recognize the important role of CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora), an international agreement that stands at the intersection between trade, environment and development....

3. The text of the Convention was adopted at a Plenipotentiary Conference hosted by the Government of the United States of America in Washington DC on 3 March 1973, and CITES celebrates its 40th anniversary at the present meeting.
4. Since 1973, we have witnessed, *inter alia*, growing prosperity, changing consumption and production patterns, vastly enhanced scientific knowledge, phenomenal advances in technology² and significant growth in global trade.³
5. The ability of communities and governments to conserve and to use their natural resources sustainably, and the pressures on plant and animal species in the wild, have continually increased since 1973.
6. CITES entered into force on 1 July 1975, at a time when world population stood at four billion people. World population now is over seven billion and is expected to exceed nine billion by 2050.
7. This visionary Convention is of even greater relevance today than it was in 1973, and the demands placed on the Parties and the Secretariat have grown considerably since that time.

The CITES Secretariat

8. Currently, the Secretariat has 26 established posts, which were all occupied in 2000 and 2001. However, staffing level has decreased as staff members retired or resigned and have not been replaced. The staffing table below shows the loss of seven staff members, or 26 % of staff, over the past decade. Over the same period of time the number of Parties has grown by close to 16 %.

¹ See http://www.un.org/qa/search/view_doc.asp?symbol=A/RES/66/288&Lang=E.

² *The advances in technology have opened up some new challenges, such as Internet-related wildlife crime. They have also presented new opportunities for the more effective implementation of the Convention, such as through the use of modern forensics, and to enhance CITES knowledge management.*

³ See http://www.wto.org/english/res_e/statis_e/its2011_e/its11_toc_e.htm.

Year	No. of Staff	Percentage of decrease in staff	No. of Parties	Percentage of increase in Parties
2000	26	-	152	-
2001	26	0 %	155	2.0 %
2002	24	7 %	159	4.6 %
2003	24	7 %	163	7.2 %
2004	24	7 %	165	8.5 %
2005	24	7 %	168	10.5 %
2006	24	7 %	169	11.2 %
2007	23	11 %	172	13.2 %
2008	23	11 %	173	13.8 %
2009	22	15 %	175	15.1 %
2010	20	23 %	175	15.1 %
2011	20	23 %	175	15.1 %
2012	19	26 %	176	15.8 %

9. In addition to the reduction in staffing, activity budget lines have also been reduced over this time. By way of example, the Secretariat's core travel budget in 2001 was USD 140,000. In the current budget, it stands at USD 60,000, a reduction of 57 %.
10. The Secretariat's functions are established in Article XII (and Article XV) of the Text of the Convention, which includes, *inter alia*, its role in: preparing meetings of the Conference of the Parties (CoP) as well as studies and reports; disseminating information; assessing proposals to amend the Appendices; and making recommendations for the implementation of the Convention. These functions have been further elaborated upon in a series of Resolutions relating to: servicing committees established by the CoP; legislation; compliance; enforcement; science; capacity building; cooperation with other conventions and processes; and information collection and dissemination. The Secretariat plays a critical role in implementing the compliance mechanisms of the Convention as they relate to science, enforcement, legislation and reporting, which can lead to the making or lifting of recommendations to suspend trade.
11. Staffing resources available to the Secretariat have been declining while the effort required to fulfil its functions has continually expanded. The number of Parties has continuously increased, the organization of committee meetings has become more demanding – the meetings of the Standing Committee have effectively become 'mini CoPs'⁴ –, the level of observer and media interest continues to increase, and the implementation of Decisions and Resolutions being adopted at each CoP meeting have become more challenging.
12. In 2012, meetings of the Standing Committee and of the two scientific committees were organized, the latter overlapping for three days in joint sessions. The number of participants and registered organizations attending each of those meetings was as follows:
- Standing Committee: 313 participants 56 registered organizations
- Animals Committee: 172 participants 50 registered organizations
- Plants Committee: 116 participants 22 registered organizations
13. CITES CoPs attract large numbers and considerable media and civil society interest. The 15th meeting thus attracted 1,189 participants⁵. By way of comparison, CoP10 of the Convention on the Conservation of Migratory Species of Wild Animals (CMS) in 2011 attracted 346 participants, CoP11 of the Ramsar

⁴ Given the increasing number of agenda items and of participants.

⁵ The present meeting is expected to attract approximately 1,500 participants.

Convention in 2012 attracted 895 participants, and the UNEP Governing Council/Global Ministerial Environment Forum in 2012 attracted 947 participants.

14. The current staffing levels are not commensurate with the nature of the functions of the Secretariat. The Secretariat has fulfilled its functions through the efforts of dedicated and highly experienced staff who have been willing to work beyond their regular number of hours⁶ and through obtaining the services of short-term project based staff, interns, secondees and *gratis* personnel. Five long-standing senior CITES staff will retire before CoP17 and there will be a commensurate short- to medium-term impact on the capacity of the Secretariat, as new recruits gain experience.
15. The Secretariat has taken significant measures to reduce its expenditures (in communications, travel and other costs) and to enhance its own capacity and productivity, including through: all staff having a Skype address and using Skype rather than the landline or mobile phone whenever possible; conducting recruitment interviews by Skype rather than flying applicants to Geneva; making maximum use of video conference equipment to minimize staff travel; securing additional staff through internships, secondments, *gratis* personnel, and project-based staff; maximizing the use of the Internet as a communications tool; utilizing online training materials; reducing the production of publications in hard copy; using a Computer-Assisted Translation (CAT) tool to limit translation costs and streamlining pre-translation work; and attracting additional voluntary budgetary support.
16. Recognizing the current global economic situation, the Secretariat is not proposing any additional staff for the triennium 2014-2016. However, it will continue to seek external support in fulfilling its functions.

Future financial reporting

17. At its 62nd meeting (SC62, Geneva, July 2012), the Standing Committee, through the recommendation of its Finance and Budget Subcommittee (FBSC), instructed the Secretariat to further develop the format of the costed programme of work for 2014-2016, which is to include the assignment of priority rankings to the activities of the Secretariat.
18. The Standing Committee endorsed the new format of the preparation of the budget for the triennium 2014-2016, as proposed by the Secretariat and recommended by the Finance and Budget Subcommittee.
19. The Standing Committee further instructed the Secretariat to prepare a “zero real growth budget scenario” and a “zero nominal growth budget scenario” for the present meeting, and for the Secretariat to make an assessment of the consequences on the operation of the Secretariat for the latter.

Zero real growth budget scenario

20. The zero real growth budget scenario maintains the current number of staff and the current operating costs, adjusted based on an analysis of current expenditures. The staff salary costs are based on the UN standard salary cost for 2013 Version 11, and adjusted at an increment of 4 % per annum of the 2013 standard salary cost.
21. Annex 1A shows the costed programme of work (CPW) of the Secretariat, tailored to its functional chart. It shows the priority ranking of the Secretariat’s activities, along with the allocation of the Trust Fund budget (column 'CTL') and the foreseen need for external funds (column 'QTL') for each activity for each year of the triennium.
22. Annex 1B presents the core budget under the Trust Fund (CTL). It shows adjustments on some operating costs to reflect the analysis of the 2012 expenditures. The original budget for translation has been redistributed among the translations for committee meetings, the CoP meeting and general office translation, based on translation costs in 2012, the year when all translations started to be fully

⁶ *Secretariat staff work 9-10 hours a day on a regular basis, especially in the run-up to committee and CoP meetings. The United Nations has encouraged its staff to opt for a compressed working schedule. Under this option, the number of hours that would normally have been worked during a period of 10 days is compressed into nine days. This requires staff to extend their working hours during the nine days to cover the hours that would have been worked on the 10th day. This redistribution of normal working hours provides staff with an opportunity to take one day off of the normal working week, every other week. According to the UN, “this new pattern of work offers greater flexibility in how and where work is done and provides arrangements that address personal and family needs.” The Basel, Rotterdam and Stockholm Conventions (also based in Geneva) have already implemented this UN compressed working schedule in their offices. The Secretary-General is aware of this new administrative procedure, however; its implementation has been delayed until after CoP16.*

outsourced. It should also be noted that the office maintenance has been increased to meet the current cost incurred and the logistics for the Standing Committee to cover the provision of security services during the meeting. Communication and publication costs have been reduced, which offset the increases in the above-mentioned operating costs.

23. Annex 1C shows the external funds (QTL) being sought by the Secretariat in support of CITES activities. It should be noted that the amounts indicated are still to be solicited and the implementation of activities are subject to the availability of funds.
24. Annex 1D is the scale of contributions table providing the assessed contributions from each Party, based on the UN scale of assessments approved by the General Assembly in December 2012 and released in January 2013, and adjusted to take into account that not all UN Member States are Parties to CITES.

Zero nominal growth budget scenario

25. This scenario shows that there is no overall increase in the budget from the biennium 2012-2013, but takes into account that the staff salary costs will increase, based on the UN standard salary cost for 2013 Version 11 and adjusted at an increment of 4 % per annum. This, therefore, will mean a reduction in some of the operating costs of the Secretariat.
26. Annex 2A shows the Secretariat's CPW, following its functional chart. It should be noted that the programmatic activities related to science, enforcement, legislation, capacity building and trade monitoring database are not funded by the Trust Fund and are dependent on external sources (see Annexes 2B and 2C for more details). This results in the budget being the same as the annual budget for 2012 and 2013.
27. Annex 2B presents the core budget under the Trust Fund. In order to retain current staffing levels, programmatic activities that used to be covered by the Trust Fund have been removed and placed under external funding (Annex 2C). All other operating costs remain the same except for an increase in the office maintenance and logistics for the Standing Committee, owing to the security service during the meeting, but these are compensated by decreases in communication and publications.
28. Annex 2C shows all external funding to support CITES activities (QTL), including the programmatic activities that used to be funded by the Trust Fund and will all need to be externally funded.
29. Annex 2D is the scale of contributions table which shows the assessed contributions for each Party, based on the UN scale of assessments released in January 2013. It should be noted that, while there is no increase in the budget, there is an increase in contributions resulting from the drawdown from the Trust Fund Reserve of USD 450,000 annually during the biennium 2012-2013. With the addition of Bahrain as a new Party, the distribution of the USD 450,000 has been reduced to a USD 447,868.
30. For 2014-2016, the Secretariat proposes to use the CITES Trust Fund Reserve as a buffer against possible currency exchange losses, which cannot be predicted but may have a significant impact on the budget, and for other unexpected contingencies.

Draft resolution

31. A draft resolution on the financing and the costed programme of work for the triennium 2014-2016 with revised terms of reference for the CITES Trust Fund is presented in Annex 3. This draft is based on Resolution Conf. 15.1 with new text underlined and deletions in strike-through.
32. The operative clause which "INSTRUCTS the Finance and Budget Subcommittee of the Standing Committee to report at meetings of the Standing Committee and of the Conference of the Parties on recommendations on all financial and budgetary documents and proposals developed by its members" has been retained. This is to reflect what the Standing Committee agreed at its 62nd meeting (Geneva, July 2012), and the Secretariat has proposed an amendment to Resolution Conf. 11.1 (Rev. CoP15) in document CoP16 Doc. 25 on *Proposals of the Secretariat* that the FBSC be made a permanent subcommittee of the Standing Committee.
33. In line with a proposal made in document CoP16 Doc. 8.4 on *Access to Global Environment Facility funding*, the draft resolution in Annex 3 also includes additional preambular and operative clauses related to the Global Environmental Fund as a financing mechanism.

Consultation on draft budgets

34. Paragraph 23 of the Memorandum of Understanding between the Executive Director of UNEP (UNEP ED) and the CITES Standing Committee states that:

The Standing Committee understands that a copy of the draft Secretariat budget will be shared with the Executive Director for review and comments in respect of any matters of direct relevance to the role and functions of the Executive Director before the final proposed budget is submitted by the Secretary-General for consideration by the Conference of the Parties.

35. The Secretary-General forwarded the draft budget scenarios to the UNEP ED on 19 September 2012 for his review and comments.
36. The FBSC was also consulted on the draft budget documents through its online discussion forum on 19 and 26 September 2012.
37. The comments received from UNEP (see Annex 4) and the FBSC have been taken into account in the documents presented in the annexes.

Recommendation

38. The Secretariat requests the Conference of the Parties to take into consideration its zero real growth scenario when approving the budget of the Secretariat for the triennium 2014-2016.