

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



Eighteenth meeting of the Conference of the Parties
Colombo (Sri Lanka), 23 May – 3 June 2019

Administrative and financial matters

Administration, finance and budget of the Secretariat and
of meetings of the Conference of the Parties

FINANCIAL REPORTS FOR 2016-2019

1. This document has been prepared by the Secretariat in accordance with the reporting obligation per Resolution Conf. 17.2.

Introduction

2. The Secretariat has prepared the report as set out in the present document covering the period 1 January 2016 to 31 March 2019 for both Convention trust funds, using the approved format in presenting the financial reports on the costed programme of work.

Financial report on costed programme of work for 2016

3. At its 69th meeting of the Standing Committee (SC69), the Secretariat presented its report on expenditures associated with its costed programme of work for 2016 and 2017 (up to 31 July 2017) in document SC69 Doc. 7 on *Financial matters*.
4. Annex 1 to the present document contains the 2016 costed programme of work, with the final CITES Trust Fund (CTL) expenditures, including programme support cost, amounting to USD 6.3 million, which is 95 per cent of the Secretariat's total budget for 2016 of USD 6.6 million. In addition, the Annex is also presenting the expenditures and contributions received in 2016 in related to each activity and funded from the CITES external Trust Fund (QTL).
5. The scale of contributions for each Party to the CITES Trust Fund (CTL) and payments made in 2016 are shown in Annex 2 to the present document.
6. Annex 3 contains information on donor contributions to the CITES external Trust Fund (QTL) during 2016. As of 31 December 2016, a total of USD 6 million, amounting to 94 per cent of the total indicative budget for 2016, had been deposited.

Financial report on costed programme of work for 2017

7. In October 2018, at the 70th meeting of the Standing Committee (SC70, Sochi, October 2018), the Secretariat provided its report on the expenditures with its costed programme of work for the full year of 2017 and 2018 (up to 30 June 2018) in document [SC70 Doc. 6](#) on *Financial matters*.
8. The final expenditure for the year 2017 and the costed programme of work are presented in Annex 4 to the present document and amounts to nearly USD 5.7 million, which is 96 per cent of the Secretariat's total budget of USD 5.9 million for 2017.

9. In Annex 5, the scale of contribution to the CITES Trust Fund (CTL) for each Party and payment made for the current year, prior and future years as of 31 December 2017 are shown. The report is showing that nearly 91 per cent of the annual assessed contribution for 2017 were received.
10. Information on donor contribution deposited to CITES external Trust Fund (QTL) during 2017 is shown in Annex 6. As of 31 December 2017, an amount of USD 9.5 million, or 64 per cent of the total indicative QTL funding estimates for 2017, has been deposit into CITES's bank accounts.

Financial report on costed programme of work for 2018

11. Annex 7 to the present document contains the 2018 costed programme of work and the total expenditure for each activity and for each trust fund of the Convention, including programme support costs. The total expenditure for the CITES Trust Fund (CTL), amounted to USD 5,426,685, against a budget of USD 5,999,700, giving an implementation rate of 90.45 per cent for 2018. The Secretariat has been conscious of the actual cash available in the Trust Fund (see paragraph 16 below) and therefore the implementation rate for 2018 is lower than in previous years.
12. Further to the reporting to SC70 for the period up to 30 June 2018, the overall personnel component is ending with nearly USD 380,000 in savings which is mainly due to the vacancies and late encumbering of vacant positions (Secretary-General, D-2, Research Assistant, GS and Programme Assistant, GS) and the reduction of Geneva post adjustment rate by 5.2 per cent for internationally recruited staff.
13. During the year, further savings have been achieved under the headings for maintenance of office equipment and communication as suppliers have been changed and the Secretariat is now part of the global service provided through UN Office at Geneva (UNOG) for all UNEP entities in Geneva.
14. As reported, the organization of governing bodies and scientific meetings are overspending due to higher logistical costs related to venue and security costs than planned, which will be offset by savings under the personnel component.
15. Annex 8 shows the scale of contribution to the CITES Trust Fund (CTL) for each Party and payment made for the current year, prior and future years as of 31 December 2018. The report is showing that 81 per cent of the annual assessed contribution for 2018 were received. With the introduction of Umoja, cash availability has become important as the Secretariat cannot spend without cash in the bank even if the annual assessed contribution pledge is acknowledged.
16. The Secretariat is therefore urging Parties to take note of paragraph 18 of the Resolution Conf. 17.2 on *Financing and the costed programme of work for the Secretariat for the triennium 2017-2019*, the Conference of the Parties:

REQUESTS all Parties to pay their contributions as far as possible during the year prior to the one to which they relate or, otherwise, promptly by the beginning of the calendar year (1 January to 31 December) to which the contributions apply.

It should be noted that as of 31 December 2018, an amount of USD 1,155,758 or nearly 19 per cent remains unpaid for the year and this has had impact on the Secretariat's ability to fund its daily operations as the cash balance available is low compared to actual expenditure for the year.

17. In Annex 9, the annual distribution of unpaid contributions as of 31 December 2018 is presented, which is amounting to a total of USD 1,877,213 including the year 2018. It should be noted that long-standing unpaid assessed contributions will be counted as doubtful debts, and in line with the International Public Sector Accounting Standards (IPSAS), provision will be made in the accounts to cover the amounts from the reserve, thus reducing the amount available for the use of Parties.
18. The Secretariat has in line with Resolution Conf. 17.2, paragraph 20, continued its efforts to contact Parties and sent reminder letters twice yearly with information on pending contributions for three or more years.
19. During 2018, the Secretariat continued to raise funds for CITES external Trust Fund (QTL). As of 31 December 2018, a total of USD 8,760,691, amounting to 69 per cent of the total indicative budget for 2018, had been deposited. Details of donor contribution and related activities are contained in Annex 10 to the present document.

20. The statement of financial performance and position for the two trust funds for the year 2017 is reproduced in Annex 11 to the present document (available in English only). The trust funds for the year 2017 have been certified as correct and in accordance with the accounting policies, regulations and rules of the United Nations. The certified statements are included as an integral part of the UNEP statement for the biennium 2016-2017. The IPSAS statement prepared by UN Office at Nairobi (UNON) is based on full accrual basis accounting which means that transactions and event are recognized when they occur and not only when cash is received or paid. Table 1 shows an overview of the performance of the CITES Trust Fund (CTL) with a net assets balance amounted to USD 5,225,473, of which USD 899,955 represented the operating cash reserve to guarantee the liquidity of the trust fund. The reserve was thus in excess of the required operating cash reserve of 15 per cent.
21. Table 2 of Annex 11 presents an overview of the external Trust Fund (QTL) and a net assets balance amounted to USD 12,832,673 as of 31 December 2017.
22. At the time of writing the present report, the statements on financial performance and position for the two trust funds for the period ending 31 December 2018 are not finalized as the accounts are still not closed for the year 2018.

Financial report on costed programme of work for the period up to 31 March 2019

23. Updated information on expenditures and contributions for both trust funds for the period 1 January to 31 March 2019, including projections for the full year, will be provided by late April 2019 allowing for more up-to-date figures for the year. The updated information will be presented in Annexes 12 to 14.

Recommendation

24. The Secretariat requests that the Conference of the Parties accept the report of expenditures incurred and approve the reports of implementation of the costed programmes of work for 2016, 2017, 2018 and 2019 (up to 31 March 2019).

Annexes to the present document

25. This document is supported by 14 annexes as listed below.

- Annex 1: Financial report on costed programme of work for 2016
- Annex 2: CITES Trust Fund (CTL) – status of contributions as of 31 December 2016
- Annex 3: CITES external Trust Fund (QTL) – status of contributions as of 31 December 2016
- Annex 4: Financial report on costed programme of work for 2017
- Annex 5: CITES Trust Fund (CTL) – status of contributions as of 31 December 2017
- Annex 6: CITES external Trust Fund (QTL) – status of contributions as of 31 December 2017
- Annex 7: Financial report on costed programme of work for 2018
- Annex 8: CITES Trust Fund (CTL) – status of contributions as of 31 December 2018
- Annex 9: CITES Trust Fund (CTL) – annual distribution of the unpaid contributions as of 31 December 2018
- Annex 10: CITES external Trust Fund (QTL) – status of contributions as of 31 December 2018
- Annex 11: Statement of financial performance and position for the year ended 31 December 2017
- Annex 12: Financial report on costed programme of work for 2019 (up to 31 March 2019)
- Annex 13: CITES Trust Fund (CTL) – status of contributions as of 31 March 2019
- Annex 14: CITES external Trust Fund (QTL) – status of contributions as of 31 March 2019