

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

Summary record of the first session of Committee II

4 March 2013: 14h20 – 17h30

Chair: R. Gabel (United States of America)
Secretariat: J. Scanlon
A. Abalos
J. Barzdo
J. Vasquez
UNEP: H. Verbeek
Rapporteurs: J. Caldwell
L. Garrett
R. Parry-Jones
C. Rutherford

Administrative matters

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

8.1 Implementation of the costed programme of work for 2010-2011

Document CoP16 Doc. 8.2 was presented by the Secretariat and included a cost analysis of the translation of documents, an update of which would be available at the 65th meeting of the Standing Committee. The document was accepted.

8.2 Implementation of the costed programme of work for 2012

Document CoP16 Doc 8.2 was presented by the Secretariat, which indicated that the document had been produced before the 2012 accounts were closed and that an update would be available at the 65th meeting of the Standing Committee.

The United States was concerned that the Secretariat continued to refer to unpaid voluntary contributions by the Parties as 'arrear'. They considered their contributions to CITES to be strictly voluntary. They noted that these contributions were labelled as 'voluntary contributions' in document CoP16 Doc. 8.1 Annex 8. They requested an explanation from the Secretariat as to why it labelled unpaid contributions as 'arrear', when the United Nations Office in Nairobi correctly labelled them as 'voluntary contributions'. The United States did not recognize the use of a mandatory contribution scale with respect to voluntary contributions. While they strived to keep their annual contribution at or above historic levels, the actual amount of their contribution was determined through administrative processes related to the domestic budgeting process. They endeavoured to provide additional voluntary contributions beyond their core pledge to the CITES Trust Fund to advance the decisions of the Conference of the Parties. They urged countries to redouble their efforts to contribute to the Trust Fund to support the important work of the Convention. Since the United States did not view their contributions as obligations under the Convention, they did not believe contributions could accrue in 'arrear'. They recommended that the Conference of the Parties direct the Secretariat to make adjustments to the budget and finance documents for all future meetings to address this issue appropriately.

The Secretary-General appreciated the position of the United States but noted that the Secretariat was using the language of Resolution Conf. 15.1. Japan agreed with the concerns raised by the United States and, as it had completed its 2012 donation for MIKE in early 2013, asked to be included in the list of donors.

The document was accepted.

8.3 Budgetary proposals for 2014-2016

The Secretary-General presented document CoP16 Doc. 8.3 (Rev. 1) emphasizing that staff resources had been diminishing over the past decade. While he recognized the current economic position of many Parties, he asked that they appreciate the increasing demands on the Secretariat.

Norway, supported by Austria, Botswana, Brazil, India, Indonesia, the Republic of Korea, the Russian Federation, South Africa and Sweden, recognized the constraints faced by the Secretariat and believed a zero real growth budget was the preferred option. Japan recognized the efforts made by the Secretariat to be cost-effective but could only support a nominal growth budget, and suggested further cost reductions be found. In response, the Secretary-General distinguished between zero growth in the budget and increases in contributions. He further clarified that the present budget had been fixed at CoP15 and that the one-off drawdown from reserves in 2011 was to offset changes in exchange rate.

The Chair established a Budget Working Group, chaired by Switzerland. Australia, Belgium, Botswana, Canada, China, Colombia, France, Germany, Ireland, Japan, Mexico, Norway, the Republic of Korea, South Africa, the United Kingdom of Great Britain and Northern Ireland, and the United States volunteered to serve on the working group. The Chair requested that they report back within two days with an estimate of the time they would need to deliberate.

8.4 Access to Global Environment Facility funding

The Secretary-General introduced document CoP16 Doc. 8.4 and noted that, subsequent to its submission, the amount that the multilateral fund had allowed the Montreal Protocol to invest had risen from USD 2.6 billion to USD 3 billion. The Secretary-General noted possible concerns regarding access to GEF funding, but concluded that increased funding was important to enable Parties to meet their obligations under the Convention.

Australia, Bahrain, Botswana, Colombia, the Democratic Republic of the Congo, the Islamic Republic of Iran, Ireland on behalf of the Member States of the European Union and Croatia, Kenya, Mali, Norway, Peru, São Tomé and Príncipe, South Africa, and Saint Lucia expressed their general support for the draft text for a resolution and draft decisions in the annexes to document CoP16 Doc. 8.4. Australia sought clarification from the Secretariat regarding potential impacts on the CITES Trust Fund and other funding sources. It believed that the draft text in Annex 1 of the document required revision to reflect better the role of the GEF Council. Ireland, on behalf of the Member States of the European Union and Croatia, and Peru believed it was important that the GEF extend its scope to include species. The United States noted that countries could already propose projects to the GEF through their national focal points. However, they did not wish to block consensus.

Canada, Japan, Norway and the Philippines noted that the text of the Convention did not mention a financial mechanism and that the GEF had not requested to serve as a financial mechanism for CITES. They sought legal clarification. Indonesia emphasized the importance of administrative transparency and the Democratic Republic of the Congo stressed the need for a formal agreement between CITES and the GEF.

Japan proposed the following amendments: in the first draft decision directed to the Global Environment Facility (GEF) under *GEF as a financial mechanism for CITES*, in Annex 2 to document CoP16 Doc. 8.4, replace “requested to serve” with invited to consider serving, and in the first draft decision directed to the Global Environment Facility (GEF) under *GEF’s focal area on biodiversity* replace “enhance” with to consider enhancing.

The Secretary-General stated that approaching the GEF would have no impact on the CITES Trust Fund since no money would come to the Secretariat, and that, should an approach be supported, negotiations for a formal agreement would begin. Priorities for CITES engagement could be

determined through the Standing Committee for subsequent approval at a meeting of the Conference of the Parties.

The Committee agreed that the matter should be added to the agenda of the Budget Working Group established under agenda item 8.3. Indonesia, Israel, Kenya and the Philippines asked to join the working group. This was agreed.

8.5 Access to other sources of funding

The Secretariat introduced document CoP16 Doc. 8.5.

The United States believed that the creation of a CITES Technology and Innovation Fund (CTIF) could be a positive development, noting the need for transparency and Party oversight, perhaps through the Standing Committee. It recommended that the Standing Committee review any branding proposal, and that the Standing Committee's Finance and Budget Subcommittee be regularly updated. It supported the draft decisions in Annex 1 to the document but opposed all recommendations in paragraph 38 of the document, except for the last. Ireland, on behalf of the Member States of the European Union and Croatia, and Japan supported the draft decisions. Botswana urged expedition in the identification of possible funding sources. The Secretariat withdrew paragraph 38.

The draft decisions in Annex 1 to document CoP16 Doc. 8.5 were agreed.

9. Arrangements for meetings

Rwanda introduced document CoP16 Doc. 9 (Rev. 1) and, responding to the Secretariat's written comments, requested the establishment of an intersessional working group under the Standing Committee to develop guidelines for convening meetings other than those of the Conference of the Parties and the permanent committees. The Central African Republic supported this proposal.

The Secretary-General noted that no specific complaints were reported in the document and that it was not clear at which meeting or meetings such concerns had been raised. He opposed the adoption of the draft resolution in the document and to the amended proposal, noting that no other multilateral environmental agreement was subject to such guidelines for non-official meetings and that implementation of those proposed in the draft resolution would have budgetary implications.

The Chair proposed that concerned Parties speak directly to the Secretariat, and report back to the Committee.

The Chair closed the session at 17h32.