

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

Report to Finance and Budget Subcommittee

Administrative and financial matters as of 31 March 2020

As per the Terms of Reference for the Finance and Budget Subcommittee (FBSC) of the CITES Standing Committee, please find below report on administrative and financial report as of 31 March 2020.

Members of Finance and Budget Subcommittee during 2020-2022

Following the decision at the 72nd Standing Committee meeting in August 2019, members to the FBSC were added after the call for participants in Notification 2019/062 and includes the below member Parties:

- Africa: Kenya and Namibia
- Asia: Kuwait
- Central and South America
And the Caribbean: *To be determined*
- Europe: Israel
- North America: United States of America
- Oceania: New Zealand
- Depositary Government: Switzerland

A detailed list of members with known contact information is attached in annex 1. Please inform the Secretariat on any changes to allow for circulation of the complete member list.

In addition, the terms of reference for the FBSC is attached in annex 2 and one of the first actions to be taken is the election of the chairperson among the members.

Administrative matters

Delegation of Authority

On 30 March 2020, UN Environment Programme (UNEP) shared the new updated draft of *UNEP Delegation of Authority Policy and Framework for the management and administration of Multilateral Environmental Agreement Secretariats*.

The policy and framework have been updated in line with the UN Secretary General's delegation of authority in the administration of staff and financial regulations and rules issued in early 2019 (ST/SGB/2019/2) and is proposed to replace the existing delegation issued on 1 November 2016.

Most significant changes compared to the existing delegation from 2016 is related to human resources matters but also on usage of legal instruments, signing of contribution agreements, preparation of financial reports to donors.

MEA Secretariat administered by UNEP are now reviewing and preparing joint comments to the draft delegation policy and framework and will further discuss jointly directly with UNEP on impact of the proposed changes.

As per the Memorandum of Understanding between CITES Standing Committee and the Executive Director of UNEP from September 2011, paragraphs 15 and 16, the new updated proposed delegation of authority will be shared with the chair of Standing Committee and FBSC before its finalization and when additional information has been received from UNEP.

Staffing situation

Since the reporting of administrative matters as of 30 June 2019 at the 18th meeting of the Conference of the Parties (agenda item CoP18 Doc. 7.1), the Secretariat has been working on preparing the new approved core funded positions for 2020 for recruitment, namely one Associate Programme Management Officer at P-2 level and one General Service staff.

In addition, we have three core funded position under recruitment which are due end of assignment and retirements of staff members; Associate Information Systems Officer, P-2, Meeting Service Assistant and Document Assistant.

Furthermore, recruitment is also ongoing for a project funded position with the MIKE team in Nairobi; Programme Management Officer at P-3 level.

Summary of vacant position under recruitment:

Functional title	Funding source	Status
Associate Programme Management Officer, P-2	Core	Job Opening (JO)-128027; closed on 21 February 2020; review of applicants completed and test phase to be started.
Meeting Service Assistant	Core	JO-130531; closed on 25 March 2020; review of applicants completed, and test phase started. Temporary hiring for 6 months has been completed while the long-term position is being finalized.
Programme Management Officer, P-3 (MIKE)	External	JO-133481; launched and will be closing on 15 May 2020.
Documents Assistant	Core	JO-133921; launched and will be closing on 27 May 2020.
Associate Information Systems Officer, P-2	Core	JO-133944; pending launch on Inspira
Research / Programme Assistant	Core	Temporary JO-130789; closed on 6 February 2020; selected candidate is expected to start by 1 June 2020.

For the moment, a temporary hiring freeze is in place for UNEP on its Environmental funded positions only while no such freeze is in place for CITES vacant positions. However, the Secretariat is closely monitoring the expenditure and collected contribution rates to ensure that we are within the available resources. This may delay the process as the Secretariat will proceed up to selection of the new staff while the on-boarding may take longer time.

Please note that the all vacancy announcements for staff or consultancy positions are posted on CITES website with direct link to the UN recruitment system *Inspira*.

Financial matters

CITES Trust Fund (CTL)

Financial data for the year 2019 as at 31 December 2019

The accounts for 2019 have been closed and are currently undergoing audit by the UN Board of Auditors. The final report including the IPSAS financial statements per trust fund is expected in July/August 2020.

The Secretariat is currently preparing the financial reports including collected contributions as at 31 December 2019 and this will shortly be shared with FBSC.

Meanwhile, I would like to give an overview regarding the preliminary figures available and highlight a few areas which have financial impact for the future:

- Overall implementation rate of the approved budget for 2019 was 96%
 - budget of USD 6.6. million compared to
 - expenditure of nearly USD 6.4 million.

- Collection rate of assessed contribution for 2019 was 58%
 - Major contributions for 2019 amounting to more than USD 1.5 million was paid late and only in January 2020 causing impact on the operation of the Secretariat as highlighted in the agenda item CoP18 Doc 7.3 annexes15 and 17.

- Delay of some activities funded from the core budget
 - The major expenditure during 2019 based on the approved budget for staff costs (61%), organization of meetings and operation of the Secretariat (39%) incurred for staff salaries and organization of the 18th meeting of the Conference of the Parties including hiring of temporary conference staff;
 - Planned purchase of replacement of computers and phones for the Secretariat had to be postponed and will only take place in 2020; and
 - Staff vacancies not filled as planned in 2019 and will be recruited during 2020.

Financial data for the year 2020 as at 31 March 2020

As of 31 March 2020, the Secretariat has spent around 17.5% of the total budget for 2020 on mainly staff salaries and the assessed contributions collection rate was 16.3% as shown in below table.

Description	Budget 2020 (USD)	Expenditure (USD)	Assessed contribution collected (USD)	Cash & funds balance (USD)
Post & salary items	4,170,423	987,485	-	-
Consultants	475,000	-	-	1,736,579
Non-post & salary items	1,536,620	99,052	-	2,713,924
Total:	6,182,043	1,086,537 (17.5%)	1,084,310 (16.3%)	4,450,503

The assessed contributions collection rate for the first 3 months of 2020 is lower than in previous years as shown in below table. The Secretariat will closely monitor the payments of 2020 and prior years assessed contribution during the year and consult with Parties on regular basis.

Assessed contributions collection rate per year	%
Year 2020 as at 31 March 2020	16.3
Year 2019 as at 31 March 2019	22
Year 2018 as at 31 March 2018	27

If the 2020 assessed contribution collection rate continues to be low during the year, the Secretariat may have to use the available fund balance to cover salaries of existing staff and further delay on-boarding of new staff members. Note that this will require prior approval from the Parties through the Standing Committee.

In addition to the cash and fund balance of around USD 4.4 million, the core trust fund also has its working capital reserve of USD 899,955 that can be utilized with the same prior approval as above.

At the time of this report, no official communication has been received from Parties that they will not pay their 2020 assessed contribution during the year.

Audit of CITES

In line with the Resolution Conf. 18.1 *Financing and costed programme of work for the Secretariat for the triennium 2020-2022*, paragraph 38, the Secretariat has asked UNEP to include a comprehensive audit of CITES in the Office of Internal Oversight Services (OIOS) work program for 2020.

The OIOS audit has been scheduled for the last quarter of 2020 but is likely to be postponed into 2021 due to the current travel restrictions impacting OIOS implementation of its work plan.

The Secretariat is in close contact with UNEP on providing alternative dates as well as coming data and information in preparation of the audit.

Online meetings and possible financial impact

The Secretariat has issued a proposal for the arrangements for the 31st meeting of the Animals Committee (AC) and 25th meeting of the Plants Committee (PC) currently scheduled for July 2020 which is currently being reviewed by AC/PC members and will shortly be sent to members of the Standing Committee. The proposal includes costing details for AC31/PC25 meetings, if held online.

In addition, the Secretariat is exploring with UNEP the possibilities for compensation and remuneration for sponsored members and delegates who would participate in an online meeting and incur additional costs related connections charges.

UNEP is preparing guidelines and possible remuneration rates per country and hourly usage costs for these charges that will be presented in late May 2020.

The Secretariat is proposing to follow the procedures set out in Resolution Conf. 17.3 on Sponsored Delegates Project for nomination of eligible members and delegates, if decision is taken to hold online meetings for AC31/PC25.

Furthermore, the registration fees for observer organizations participating at the AC31/ PC25 meetings are proposed to be waived for the 2020 meetings. The registration fees already paid will therefore be treated as credit in CITES accounts and may be used for future scientific and governing bodies meetings organized by CITES.

Support of the CITES Activities Trust Fund (QTL)

During 2019 and up 31 March 2020, the following contributions have been collected on the external trust fund for ongoing and new activities:

- As at 31 December 2019: USD 10.4 millions
- As at 31 March 2020: nearly USD 2.0 millions

The Secretariat is posting on monthly basis on its website detailed information on contributions collected on both the core and external trust funds and the data can be found on the below links:

- Core trust fund (CTL)

https://www.cites.org/sites/default/files/eng/disc/funds/ct_en.pdf

- External trust fund (QTL)

https://cites.org/sites/default/files/eng/disc/funds/status_of_external_contributions_to_the_CITES_External_Trust_Fund_rev5May2020.pdf

Attachments:

1. Members of FBSC during 2020-2022
2. Terms of Reference for the FBSC