

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



Seventy-seventh meeting of the Standing Committee
Geneva (Switzerland), 6–10 November 2023

Administrative and financial matters

Administrative matters

REPORT OF THE UNITED NATIONS ENVIRONMENT PROGRAMME
ON ADMINISTRATIVE MATTERS

1. The present report is submitted by the Executive Director of the United Nations Environment Programme (UNEP) for consideration at the seventy-seventh meeting of the Standing Committee of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES or the Convention), to be held in Geneva, Switzerland from 6 to 10 November 2023.
2. Building on the previous report provided to the Conference of the Parties at its nineteenth meeting (see document CoP19 Doc. 7.2) held in Panama City, Panama in 2022, updates are provided on the administrative and financial management support provided by UNEP to the Convention through its secretariat.

Administrative and financial management support provided to the Convention on International Trade in Endangered Species of Wild Fauna and Flora

Policy guidelines and procedures

3. **Delegation of Authority Policy and Framework** – On 18 December 2018, the Secretary General of the United Nations issued a new framework for the delegation of authority effective January 2019 (ST/SGB/2019/2). The objective of the new framework is to transfer centrally held authority closer to the point of service delivery. On 15 September 2021, UNEP Executive Director approved an updated delegation of authority policy and framework for the management and administration of the secretariats of multilateral environmental agreements (MEAs). Subsequently, CITES Secretary-General accepted an updated delegation of authority, reflecting the new policy and framework, from UNEP Executive Director on 11 October 2021.
4. **Logo and branding strategies** – Effective 11 October 2022, UNEP adopted an updated policy on the use of UNEP name and emblem. The policy allows for MEAs to develop their own logos and branding strategies.

Human Resources

5. The human resources (HR) management services provided by UNEP to CITES through its secretariat play a crucial role in ensuring the adequacy, effectiveness, and compliance of human resources functions, systems, policies, and procedures to deliver the organizational mandates and effectively manage HR risks. These services include:
 - a) position management, covering the entire span of human resources staffing activities, ensuring consistency in the application of the Staff Rules and Regulations and related human resources procedures;

- b) recruitment, whereby UNEP oversees the engagement of staff and non-staff personnel, ensuring that recruitment processes are carried out effectively, objectively, and in accordance with the organization's policies and procedures;
 - c) provision of training, identifying training needs, developing training programs, and monitoring compliance with mandatory training; and
 - d) performance management, ensuring that performance management processes are implemented effectively and in a timely manner.
6. UNEP's human resources management services also play a crucial role in promoting diversity and inclusivity within the secretariat of CITES, other MEAs secretariats and UNEP at large. UNEP further provides guidance and support in implementing best practices in human resources management, fostering a culture of accountability and transparency. In the period between January 2022 and July 2023, UNEP assisted CITES in processing 16 requests related to position management (including creation, reclassification and extension of position validity), 47 requests related to recruitment (including job advertisements and selections for different staff and non-staff categories) and 10 requests related to personnel administration (including processing of lateral assignments, transfers, resignations, separations, special post allowance and exceptional extensions of Consultants and Individual Contractors (CICs) and temporary appointments).
7. In addition, UNEP provides CITES with a human resources dashboard and a monthly staffing report containing updated workforce data and metrics. These new data management tools, launched in December 2022, enhance management information and facilitate decision making, enable monitoring of new trends/challenges/opportunities, tracking challenges in a transparent way, and strengthening corporate oversight and accountability systems. They do so by providing insight on staffing resources disaggregated in critical areas such as staffing overview, geographical representation, gender parity, duty station overview, age analysis and retirement, vacancy and recruitment overview, mandatory training, and performance compliance.
8. UNEP also has a Service Level Agreement (SLA) with the United Nations Office in Nairobi (UNON) for the provision of administrative support functions, including direct assistance to CITES secretariat personnel. Such assistance includes human resources related issues such as staff administration (including administration of benefits and entitlements, time management, client support desk, processing of CICs) and recruitment (including job building, review by Central Review Bodies, offer management and onboarding). Furthermore, the United Nations Office in Geneva (UNOG) and UNEP have a dedicated SLA for all administrative services provided to all UNEP Geneva-based offices including CITES. A long outstanding matter related to the payment of the UNOG quarterly services invoices was resolved at the nineteenth meeting of the Conference of the Parties (Panama City, 14-25 November 2022) when Parties agreed that these services should be paid through CITES Programme Support Cost (PSC) portion.

Budget and Finance

9. **Status of budget performance and financial management** – In 2022 and 2023, UNEP monitored the impact of COVID-19 on funding and programme delivery ensuring that required administrative support was effectively provided. Consultations between UNEP Corporate Services Division and the CITES secretariat reviewed the inflow of contributions, generation of PSC, as well as expenditure trends, and suggested prudential measures where necessary, to meet programmatic and staff related expenses. Overall, the assessment revealed that funding was sufficient to cover expenses. Details of this analysis have been shared with the CITES secretariat.
10. **After Service Health Insurance (ASHI)** – The ASHI programme is a benefit provided to eligible retired staff members of the UN that enables continued access to the same health insurance schemes available to active staff coverage throughout their retirement. This benefit is earned during active service but utilized after retirement. It, therefore, creates an accrued liability for the UN which does not have secured funding allocated to it. The financing of the ASHI liability has been a topic of ongoing discussion among various UN bodies, including the General Assembly and the Advisory Committee on Administration and Budget Questions (ACABQ). These bodies have made various recommendations to the executive heads of the UN organizations, urging them to explore ways of financing the unfunded portion of the liability. The goal is to ensure that UN organizations do not continue to have unfunded ASHI liability by applying available funds to the recognized future liability. In the case of UNEP, it has been accruing 6 per cent of staff costs to offset the ASHI liability. However, a financial review done for the periods 2028 to 2021 determined that this rate is not sufficient to cover the liability. Urgent containment measures were required to address the

growing portion of the unfunded liability and as a response, in Q4 2022, the UN Controller approved an increase in the ASHI accrual rate to 9 per cent. All UNEP staff budgets should now reflect the increased cost associated with the ASHI programme. **The Standing committee of CITES may wish to consider increasing its 2026-2028 staff budget accordingly.**

11. **Umoja** – Umoja is an Enterprise Resource Planning (ERP) tool that was first implemented in 2015 to process all administrative transactions within a common platform for the entire United Nations secretariat. Umoja has since been rolled out in phases. In 2018, the Implementing Partner module was rolled out. This module enhances transparency and accountability in the selection of partners with whom the United Nations secretariat engages to execute its mandate.
12. Beginning 2021, additional modules have been rolled out to complete the implementation of Umoja as a one-stop solution for all administrative processes. These modules, collectively known as Umoja 2 include: (a) Integrated Planning and Management Reporting; (b) budgeting tool; (c) programmatic view that incorporates Sustainable Development Goals and gender markers; (d) management tools that measure and record partner performance as well as highlight any existing funding gaps; and (e) dashboards that present visualization tools of captured data for reporting purposes. UNEP will continue to engage the Convention to ensure adequate training and incorporation of Umoja requirements toward successful implementation.
13. It is important to note that the roll out of the additional modules has led to an increase of Umoja license fees that are settled by all UNEP offices, including MEA secretariats. The increase in the license fee for the year 2020 and 2021 was significantly higher than previous years due to the new cost distribution methodology implemented by UN Headquarters, which is now based on the number of registered users per entity.
14. **Programme support costs (PSC)** – In accordance with General Assembly resolution 35/217 and UN procedures stipulated in the administrative instruction on Program Support Accounts (ST/AI/286), PSC is charged on all extrabudgetary resources at a standard rate of 13 per cent. This is to recover the incremental costs incurred while supporting activities financed through such resources. Waiver or reduction of the PSC rate is strongly discouraged by the Controller as this could lead to inability to meet administrative costs associated with program implementation. In his memo dated 10 June 2022, the Controller noted that decreasing program support resources could not sustain demands unless the established PSC rate of 13 per cent charged against voluntary contributions is applied consistently to all donors, including Member States. Any deviation would draw the attention of auditors and other compliance-monitoring bodies. Requests for lower PSC rates must be approved by the Controller. In 2022, based on UNEA decision 2/18, a MEA secretariat requested a waiver of PSC for contributions to support travel to meetings by participants from Developing Countries. This request was not approved by the Controller. The decision set a precedent and no further such requests will be considered.
15. **PSC Income** – The amount of PSC income available in any given year is dependent on the income generated in the previous year. 67 per cent of PSC income generated by CITES activities is allocated to the CITES secretariat while 33 per cent is retained by UNEP to fund the provision of advisory services, policy formulation, and core services in human resource, finance, procurement, legal and other administrative services provided by UNEP and its main Service Provider, UNON. The administrative staff of the CITES secretariat are funded by the PSC allocation to CITES. **Due to the unpredictable nature of PSC income, it is recommended that fixed long-term costs, such as administrative staff salaries, should not be funded from PSC income. The Standing Committee may wish to consider increasing its staff budget over 2026-2030 to allow for a transition of a select number of administrative posts to the programme budget so as to reduce risks related to over reliance on PSC for core administrative functions.**
16. UNEP is committed to the continuous review of the existing PSC policy to ensure adequacy in sharing and apportionment of programme support resources.
17. **Settlement of contributions** – The United Nations secretariat adopted the International Public Sector Accounting Standards (IPSAS) in 2014. Umoja implements strict IPSAS-based liquidity management, which requires that cash be available for the settlement of payments. **Parties are therefore encouraged to settle their assessed contributions in full early in each year to guarantee continuity of operations under CITES. Those Parties that are in arrears are requested to engage with the Convention secretariat on settlement modalities.**

Legal

18. The UNEP Legal Unit in the Corporate Services Division provides corporate legal advice, reviews standard and non-standard legal instruments, drafts legal instruments as appropriate; represents the Organisation/Administration before the Management Evaluation Unit and United Nations Dispute Tribunal and; provides advice on issues pertaining to Privileges and Immunities, amongst other things. The Unit continues to deliver advice on the use legal instruments, non-standard contribution agreements with donors, and contractual modalities for engaging with implementing partners as requested by the CITES secretariat. In particular, Legal Unit assisted the CITES Secretariat in negotiating non-standard agreements with the UK's Department for Environment Food and Rural Affairs (DEFRA) and the World Bank. Legal Unit also advised the CITES Secretariat on the hosting agreement with the Government of Uganda regarding the organization of the Second Range State Meeting which was held in May 2023.

Supply Chain Management

19. The UNEP Programme Advisory Unit in the Corporate Services Division facilitates the effective provision of goods and services to meet the organization's needs. All low value acquisitions are managed by CITES secretariat directly. All other acquisitions raised by CITES requisitioners come to the Unit for review and routing to service providers or an internal execution function. The two service providers for CITES are UNON and the United Nations Office in Geneva. All advice on procurement requirements is delivered by the Unit. The MIKE programme¹ utilises the partner assessment and monitoring framework with regards to all procurement executed by MIKE partners.

Oversight

20. The UNEP Operations and Risk Management Unit in the Corporate Services Division provides coordination services between UNEP and various audit, evaluation, and oversight bodies such as the Board of Auditors, the United Nations Office of Internal Oversight Services (OIOS), and the Joint Inspection Unit to increase efficiency during ongoing audits and ensure timely implementation of audit recommendations. OIOS audited the CITES secretariat during the first two quarters of 2021 which resulted in nine recommendations, none of which were critical. As of 31 July 2023, five recommendations have been closed-as-implemented and four recommendations remain under implementation. Outstanding recommendations are being addressed by the CITES secretariat, the UNEP Corporate Services Division and the Policy and Programme Division collectively and cover the following themes: (1) developing a resource mobilization strategy; (2) drafting an action plan to address delays in project implementation; (3) establishing mechanisms to ensure full compliance with donor agreements; and (4) strengthening monitoring of implementation partners.

Support to Multilateral Environmental Agreements

21. **Multilateral Environmental Agreements Advisory Unit** – In 2018 the UNEP Executive Director decided to provide extra administrative coordination to the secretariats of the multilateral environmental agreements through the establishment of a dedicated unit within the Corporate Services Division and under the supervision of the Division Director. A new Principal Advisor and Head of the Unit was appointed as of 1 June 2023. The purpose of the Unit has been revised as follows:

The Unit aims at facilitating effective and timely advice on administrative services which support the achievement of the objectives of MEAs within the parameters of the UN secretariat regulations and rules, and by sharing knowledge and best practices across MEA secretariats. Support provided by the Unit includes interpretation of policy, guidelines and procedures; human resources; budget and finance administration; corporate legal advice; supply chain management; audit coordination and risk management; information and communications technology; and backstopping of administrative staff, and treasury functions for multilateral funds.

22. The UN Secretary General reforms on management have been an effective instrument for improving efficiency and effectiveness of administration and engagement across the United Nations. The Executive Director reaffirms her commitment and engagement in the UN reform processes and wishes to assure parties that through the engagement and oversight of the Division of Corporate Services, the CITES secretariat has an appropriate and effective avenue for having their perspectives and needs included in

¹ *MIKE is a site-based system designed to monitor trends in the illegal killing of elephants, build management capacity, and provide critical information to aid range States in making effective management and enforcement decisions.*

policy decisions as well as benefitting from efficiency gains introduced in an a manner which allows the secretariat to maintain its focus on the programme of work including deliverables outlined by the conference of parties.