

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

Fifty-first meeting of the Standing Committee
Bangkok (Thailand), 1 October 2004

Strategic and administrative matters

Financial and administrative matters

COST-BENEFIT ANALYSIS FOR POSSIBLE LOCATIONS OF THE SECRETARIAT

1. This document has been prepared by the Secretariat.
2. At its 50th meeting (Geneva, March 2004) the Standing Committee, in the context of discussions on future budget containment strategies, requested the Secretariat to prepare for its following meeting a cost-benefit analysis based on readily available information for the following locations: Bangkok, Bonn, Geneva, Montreal and Nairobi.
3. For purposes of comparison of the Geneva duty station with other locations, the Secretariat considered the following elements: legal framework; local facilities and conditions; operating expenses including staff costs; and implications in case of relocation of the Secretariat to another duty station. It should be noted that this is a hypothetical exercise since no offer to host the Secretariat has been received. It should further be clear that this circumstance makes a useful comparison rather difficult.

Legal framework

4. All five cities host United Nations bodies including some UNEP offices. It is assumed therefore that the necessary legal framework is already in place and that the Secretariat would benefit from the privileges and immunities granted to the United Nations by the host countries in all locations.

Local facilities and conditions

5. There are a number of issues that fall within this category and have a direct but not easily quantifiable impact on the work of the Secretariat, such as: the diplomatic representation in the host city; the presence of other MEAs and of international organizations; the availability of international conference facilities and the conditions for their use; the access to qualified conference servicing staff; international transport facilities; the security and health risks.
6. The presence of diplomatic missions is important for communication. It allows Governments to have regular contacts with the Secretariat and attend meetings and information briefings. Owing to Geneva's importance as the first United Nations centre outside New York, nearly all countries are represented at this duty station. A number of states are represented by permanent missions in Bonn, Bangkok, Nairobi and Montreal, but at a significantly lower level.

7. The presence of international organizations dealing with trade and environment issues allows for easy consultations and coordinated programme development and implementation, thus avoiding duplication of activities and ensuring cost efficiency. Geneva (and its environs) is a location for various organizations such as IUCN – The World Conservation Union, the World Trade Organization, the Secretariat of the Ramsar Convention and various UN environmental conventions which facilitates synergies that are essential for the Secretariat to fulfil its mandate. Geneva is also a venue for many international meetings and conferences related to the environment, trade and sustainable development. Potential synergistic benefits for the Convention also exist in other locations which host international organizations dealing with environment and development issues. The presence of the Secretariat of the Convention of Biological Diversity (CBD) in Montreal, the Secretariat of Convention on the Conservation of Migratory Species of Wild Animals in Bonn, and UNEP in Nairobi would facilitate the coordination of the activities with those bodies if the Secretariat were moved to one of those locations. It should be noted that Bangkok hosts the Indian Ocean - South-East Asian Marine Turtle MoU Secretariat but that the potential for benefit from being located near that Secretariat is relatively small.
8. International conference facilities, excluding staff costs, are available in all five locations but the conditions for their use are different. In Geneva and Nairobi conference rooms including simultaneous interpreting facilities are provided free of charge, while conference facilities in Bonn, Bangkok and Montreal are available to UNEP offices only for rent.
9. Access to qualified conference staff such as interpreters, translators or meeting coordinators familiar with UN conferences and practices in the duty station reduces substantially the cost associated with convening meetings by eliminating the cost of travel of Conference staff to the venue of the meeting. Both Geneva and Nairobi offer qualified conference staff in all three working languages of the Convention. In Bangkok conference staff is only available for two working languages of the Convention since there is no Spanish language section in the Economic and Social Commission for Asia and the Pacific (ESCAP). In the case of Bonn and Montreal, all conference staff are hired by UNEP offices located in these duty stations from other locations, such as Geneva, Nairobi or New York, thereby increasing the cost associated with convening meetings.
10. All five duty stations offer air connections to all major airports with connections directly to most of the capitals of the world. However the number of connections, the travel time and air fares vary from one duty station to another. Geneva and Bonn offer more direct connections to destinations than Bangkok, Montreal and Nairobi, thereby reducing travel time and costs.

Operating expenses including staff costs

11. The different duty stations would have different costs for equipment, premises, communication and other miscellaneous expenses depending on local prices. In the absence of offers to host the Secretariat it is impossible to indicate what the office maintenance costs would be for the Secretariat in those various locations. However, the table below shows the office maintenance costs per square meter paid by UNEP offices in the specified locations.

Bangkok	Bonn	Geneva	Montreal	Nairobi
USD 120	USD 88	USD 55	USD 323	USD 90

It should be noted that in Geneva the Secretariat is located in the International Environment House (IEH) and the use of office space occupied by the Secretariat is significantly

subsidized by the Swiss Government. The IEH is fully equipped to accommodate all modern electronic and telecommunication facilities. Responsibility for security arrangements for the IEH is fully assumed by the UN Security.

12. In order to estimate staff costs for the Professional category at various levels and the General Service category for Bangkok, Geneva and Nairobi, the standard salary costs applicable to the United Nations regular budget have been used. In the case of Bonn the Secretariat has used staff costs applied by the United Nations Framework Convention on Climate Change (UNFCCC) adjusting them upwards to take into account the increased post adjustment multiplier, and in the case of Montreal, the staff costs applied by CBD have been used since the UN standard staff costs for both duty stations are not available. The standard staff costs include net base salary, post adjustment and common staff costs. The post adjustment is an amount paid in addition to net base salary, which is designed to ensure that no matter where United Nations common system staff work, their remuneration has a purchasing power equivalent to that at the base of the system, i.e. New York. It is applicable to international staff in the Professional category only. Together, the net base salary and the post adjustment add up to the net remuneration. The percentages used to budget for common staff costs are based on systematic surveys at each duty station. Common staff cost depend on the staff mix (the Professional and General Service category, single or with dependents) and include provisions for the dependency allowance, assignments grants, hardship allowance, education grants, rental subsidies, medical insurance contributions, pension fund contributions, security allowance and others. Duty stations with low staff turnover have lower common staff costs. Duty stations with high turnover of staff or with weak currencies relative to the US dollar show higher rates. The Annex to this document shows the standard cost used for estimating staff costs for various locations and the comparison of the staff costs for the current structure of the Secretariat. These figures are indicative. The actual staff costs depend on the benefits paid to the staff members.

Implications in case of relocation of the Secretariat

13. The relocation of the Secretariat from Geneva to another duty station would have a direct impact on the current staffing. The General Service staff contracts would have to be terminated since GS positions are available for local recruitment only. In addition some professional staff members might not be willing or able to relocate. The simultaneous departure of a large number of staff members time would have a serious impact on the current working capacity and expertise of the Secretariat for several years, thereby significantly diminishing its ability to provide assistance to Parties. Geneva and Montreal offer better opportunities for the recruitment of local multilingual staff conversant with all three working languages of the Convention than Bangkok, Bonn and Nairobi. This is likely to imply a higher number of support staff required for the same level of activity in the latter locations. It should also be noted that the relocation of the Secretariat would have certain significant financial implications. The cost of transfer of the personnel and their families as well as the cost of separation of the staff would have to be paid from the CITES Trust Fund. If all professional staff relocate it is estimated that an amount of approximately USD 500,000 would be required to cover their relocation to either Montreal or Nairobi. In the case of Bangkok and Bonn this relocation would amount to approximately USD 400,000. These costs would rise in case some staff members decided not to relocate because both separation costs and recruitment/installation costs of new personnel would then have to be paid. Additional expenses related to furnishing and equipping of the Secretariat's new offices may also have to be covered from the Trust Fund.

Standard salary costs applicable to the United Nations regular budget for 2004
(in thousands of US dollars)

	D-2	D-1	P-5	P-4	P-3	GS
Bangkok	165.6	159.8	144.9	122.7	99.2	31.5
Bonn *	203.3	193.0	167.0	144.7	119.8	75.0
Geneva	211.0	200.0	173.6	150.2	124.4	90.5
Montreal *	192.7	173.4	163.1	145.6	129.4	35.5
Nairobi	195.5	187.2	163.5	133.3	109.5	32.7
* Since no UN standard staff costs for Bonn and Montreal are available, staff costs applied by UNFCCC and CDB have been used. The 2003 staff costs for Bonn have been adjusted upwards to take account of the increased post adjustment multiplier.						

Estimated staff costs for the current structure of the Secretariat*
(in thousands of US dollars)

	Bangkok	Bonn	Geneva ***	Montreal	Nairobi
Professional staff costs (15 posts)	1,962.3	2,316.8	2,406.5	2,296.5	2,188.8
General service staff costs (9 posts) **	283.5	675.0	814.5	319.5	294.3
* Excluding posts paid from the 13% PSC levied on the CITES Trust Fund budget.					
** The table does not take into account the possible requirement of more support staff (see paragraph 13).					
*** For the sake of comparison the costs are based on the standard salary costs applied by the UN regular budget. The real costs are available for Geneva only and it is projected that they will be lower than these shown in the table.					