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

Sixty-sixth meeting of the Standing Committee
Geneva (Switzerland), 11-15 January 2016

Administrative and financial matters

Administration and finance

Administration of the Secretariat

REPORT OF THE WORKING GROUP ON OPTIONS FOR ADMINISTRATIVE HOSTING ARRANGEMENTS FOR CITES SECRETARIAT

1. This document has been submitted by the United States of America as Chair of the Working Group.*

2. At its 65th meeting (SC65, Geneva, July 2014), the Standing Committee established an intersessional working group to review the administrative hosting arrangements for the CITES Secretariat (the Working Group). The Committee agreed that the members of the Working Group would be limited to Parties and be constituted as follows: Canada, China, Indonesia, Japan, New Zealand, Norway (as Chair), Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the European Union.

3. The terms of reference for the Working Group are to:

   Review the observations and findings of the UN Joint Inspection Unit Report of 2014 entitled "Post-Rio+20 Review of the Environmental Governance within the United Nations System" insofar as they relate to the hosting arrangements for the CITES Secretariat;

   Explore the various models that exist within, or are linked to, the UN system for the hosting of convention secretariats, including different models within UNEP;

   Consider the advantages and disadvantages of different hosting models for the CITES Secretariat, including retaining the status quo; and

   Outline the steps that would need to be taken if the current hosting arrangements were to be changed.

4. The Working Group was to report its findings to the 66th meeting of the Standing Committee (SC66, Geneva, 11-15 January 2016).

5. In order to freely manage discussion of this matter at SC66, the Chair of the Standing Committee (Norway) asked the Vice-chair of the Standing Committee (United States of America) to take over as Chair of the Working Group, which was agreed noting that the USA would also be separately represented in the Working Group.

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* *The geographical designations employed in this document do not imply the expression of any opinion whatsoever on the part of the CITES Secretariat (or the United Nations Environment Programme) concerning the legal status of any country, territory, or area, or concerning the delimitation of its frontiers or boundaries. The responsibility for the contents of the document rests exclusively with its author.*

6. On 1 June 2015, the Chair of the Working Group shared with Working Group members a document that was prepared by the Secretariat at the request of the Chair which provides a brief history of administrative hosting arrangements for the CITES Secretariat (see document SC66 Inf. 1).

7. This historical document was shared with the Executive Director of UNEP prior to its release to the Working Group. The Executive Director of UNEP advised that UNEP is not in a position to provide specific comments on it at this time. Rather, UNEP stated it will contribute to the Working Group's activities once the work of a UNEP Task Team on the Effectiveness of Administrative Arrangements and Programmatic Cooperation between UNEP and UNEP-administered Convention Secretariats (the Task Team), established by the Executive Director in February 2014, has made satisfactory progress. Resolution 1/12 of UNEA-1 (Nairobi, June 2014) welcomed the steps taken by the Executive Director to establish the Task Team and requested him to continue his efforts in these matters. The Executive Director was requested to submit information on the progress made by the Task Team to the open-ended Committee of Permanent Representatives, with a view to putting the issue before UNEA-2 (Nairobi, May 2016). The Task Team submitted its final Report to the Executive Director on 24 October 2015.

8. The Chair of the Working Group then requested the Secretariat to prepare an Options paper to assist the Group with implementation of its terms of reference. The Chair of the Working Group shared the Options paper with the Working Group and Executive Director of UNEP on 25 August 2015. The Options paper is annexed to this Report.

9. The Options paper describes, in a structured way and with supplementary footnotes and attachments (published as information documents), the current administrative hosting arrangements for the CITES Secretariat and three possible options for revised hosting arrangements. The Options paper was prepared to assist the Working Group in implementing its terms of reference agreed at SC65. As the Options paper was meant to be an information tool for the Working Group, it did not contain any recommendations. The Options paper is not a comprehensive description of existing or optional administrative hosting arrangements. Rather, it was intended to serve as a discussion document for the Working Group.

10. The Chair of the Working Group received responses from Japan, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and the European Union. The Chair of the Working Group has not received any response from the Executive Director of UNEP.

11. At the request of the Chair of the Working Group, the Secretariat responded to the comments received from Working Group members on 14 October 2015. This response is included as document SC66 Inf. 5.

Recommendation

12. The Standing Committee is invited to:

    a) note this report;

    b) consider whether the Working Group has fulfilled the terms of reference agreed at SC65; and

    c) advise on next steps for the work of the Working Group, including whether the work should continue and, if so, any revisions that should be made to its terms of reference.

Briefing note for the CITES Standing Committee
Working Group on Administrative Hosting Arrangements

Prepared by the CITES Secretariat

August, 2015

Background and mandate

At its 65th meeting (SC65, Geneva, July 2014), the Standing Committee established an intersessional working group to review the administrative hosting arrangements for the CITES Secretariat (the Working Group). The Committee agreed that the members of the Working Group would be limited to Parties and be constituted as follows: Canada, China, Indonesia, Japan, New Zealand, Norway (as Chair), Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the European Union.

The terms of reference for the Working Group are to:

> *Review the observations and findings of the UN Joint Inspection Unit Report of 2014 entitled "Post-Rio+20 Review of the Environmental Governance within the United Nations System" insofar as they relate to the hosting arrangements for the CITES Secretariat;*
>
> *Explore the various models that exist within, or are linked to, the UN system for the hosting of convention secretariats, including different models within UNEP;*
>
> *Consider the advantages and disadvantages of different hosting models for the CITES Secretariat, including retaining the status quo; and*
>
> *Outline the steps that would need to be taken if the current hosting arrangements were to be changed.*

The Working Group is to report its findings to the 66th meeting of the Standing Committee (SC66, Geneva, 11-15 January 2016).

In order to freely manage discussion of this matter at SC66, the Chair of the Standing Committee (Norway) asked the Vice-chair of the Standing Committee (United States of America) to take over as Chair of the Working Group, which was agreed noting that the USA would also be separately represented on the Group.

On 1 June 2015, the Chair of the Working Group shared with Working Group members a document that was prepared by the Secretariat at the request of the Chair which provides a brief history of administrative hosting arrangements for the CITES Secretariat (the historical document – see document SC66 Inf.1).

This historical document was shared with the Executive Director of UNEP prior to its release to the Working Group, who advised that UNEP is not in a position to provide specific comments on it at this time. Rather, UNEP will contribute to the Working Group's activities once the work of a UNEP Task Team on the Effectiveness of Administrative Arrangements and Programmatic Cooperation between UNEP and UNEP-administered Convention Secretariats, established by the Executive Director in February 2014, has made satisfactory progress. Resolution 1/12 of UNEA-1 (Nairobi, June 2014) welcomed the steps taken by the Executive Director to establish the Task Team and requested him to continue his efforts in these matters. The Executive Director was requested to submit information on the progress made by the Task Team to the open-ended Committee of Permanent Representatives, with a view to putting the issue before UNEA-2 (Nairobi, May 2016).

The Chair of the Working Group requested the Secretariat to prepare this Options paper to assist the Group with implementation of its terms of reference. Recognizing that UNEP may not yet be in a position to provide specific comments, as indicated above, it was shared with the Executive Director of UNEP at the same time as the Working Group.

Recent recognition of CITES Secretariat by UNGA

Paragraph 203 of the Rio+20 outcome document, endorsed by the UN General Assembly (UNGA) in Resolution 66/288 on *The future we want* (A/RES/66/288), recognizes "the important role of CITES, an international agreement that stands at the intersection between trade, the environment and development."[1]

In UNGA Resolution 68/205 of 20 December 2013 on World Wildlife Day, "the CITES Secretariat" is requested, in collaboration with relevant organizations of the UN system, to facilitate the implementation of World Wildlife Day and to inform the General Assembly at its 71st session about implementation of the resolution, elaborating, inter alia, on the evaluation of the Day.[2]

Most recently, the UNGA Resolution on *Tackling illicit trafficking in wildlife* (A/69/L.80) adopted on 15 July 2015 recognizes the legal framework and the important role of the Convention (as reflected in paragraph 203 mentioned above). It also recognizes the important work of the International Consortium on Combating Wildlife Crime[3], a collaborative effort of the CITES Secretariat , INTERPOL, the UN Office on Drugs and Crime, the World Bank and the World Customs Organization. Moreover, it urges Member States that have not yet done so to consider taking measures to ratify or accede to the Convention and calls upon States parties to take appropriate measures to ensure full and effective implementation of their obligations under the Convention.[4]

JIU Report

In 2014, the UN Joint Inspection Unit (JIU) released its report entitled *Post-Rio+20 Review of Environmental Governance within the United Nations System* (the JIU Report).[5] While considering what support UNEP should provide to MEAs in the wake of the universalization of the membership of its governing body, the JIU Inspectors noted the view of the Secretary-General of CITES as reflected in a statement he made to the 12th Special Session of the UNEP Governing Council and Global Ministerial Environment Forum (Nairobi, February 2012), which they found "eloquently hit the crux of the matter" in proposing that:

> *UNEP's comparative advantage is not in providing administrative services and perhaps too much emphasis has been placed on this aspect of UNEP's relationship with conventions, distracting attention from where UNEP is needed most and performs best – on programme, financing and United Nations system-wide support.*
>
> *Maybe it is time to consider liberating UNEP from the role of administering convention secretariats and to have them directly administered by the actual service providers, namely UNON [United Nations Office at Nairobi] and/or the United Nations Office at Geneva (UNOG), thereby* ***allowing UNEP to focus on where it has a clear comparative advantage, namely with programme, financing and United Nations system-wide synergies****. (emphasis by Inspectors).*[6]

The Inspectors concurred "in supporting this view, provided that the UNON/UNOG administrative support services for MEAs are in line with the implementation of substantive programmatic support by UNEP" (see paragraph 123 of the JIU report).

Later in the report, the Inspectors address the role of UNEP in relation to administrative services provided to the multilateral environmental agreements (MEAs) and the reform of programme support costs (see paragraphs 205 – 226 of the JIU report).

"*… the environmental community could probably benefit from freeing UNEP from its administrative responsibilities so that it could focus on its key role driving the strategic vision*

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1 *Also see: CITES: From Stockholm in '72 to Rio+20 - Back to the future. This description reflects the CITES Secretariat's collaboration with many organizations, including FAO, ITTO, UNODC, INTERPOL, WCO, WB, ICCWC, UNEP, UNDP, UNESCO, UNCTAD, WTO, ITC, OIE, IATA and others.*

2 *See also: World Wildlife Day website*

3 *See also: ECOSOC resolution 2013/40*

4 *Also see: CITES Secretariat welcomes UN General Assembly Resolution on tackling illicit trafficking in wildlife*

5 *JIU/REP/2014/4*

6 *See paragraph 122.*

on global environmental governance. UNEP does not need to be an administrative support centre for MEAs…"

JIU Report, paragraph 215

Models within, or linked to, the UN for the hosting of convention secretariats

The CITES Secretariat presents three models, in addition to the status quo, for consideration of the Working Group:

1. The CITES Secretariat continuing to be a UNEP-administered convention secretariat but with direct administrative support coming from the UN Office at Geneva (UNOG) rather than via UNEP and through the UN Office at Nairobi (UNON).

2. The CITES Secretariat being administered by UN/UNOG in the same manner as the UNFCCC and UNCCD Secretariats, namely being institutionally linked to the UN but not integrated into the management structure of any other department or programme.

3. The CITES Secretariat functioning as an independent, autonomous international organization in a working relationship with the UN established by a dedicated Agreement in a similar manner to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, administered by the Organization for the Prohibition of Chemical Weapons (OPCW).

Administrative hosting arrangements – status quo

As mentioned above, a document providing an historical overview of the current administrative hosting arrangements for the CITES Secretariat has already been shared with Working Group members. A Memorandum of Understanding of 2011 between the Standing Committee of the Conference of the Parties to CITES and the Executive Director of UNEP sets out the agreed arrangements for the Secretariat services to and support of the Convention. A Delegation of Authority from the Executive Director of UNEP to the Secretary-General of CITES, which entered into effect on 1 October 2010, sets out the delegated authority vested in the Secretary-General.

The historical overview paper reveals a rich history and an on-going evolution of the administrative arrangements, which started with UNEP fully funding the CITES Secretariat but engaging IUCN to host the Secretariat itself, up until 1983.

Once the Convention and its Secretariat were up and running, UNEP advised CITES Parties that the responsibility for funding the Secretariat needed to pass to the Parties themselves, which happened through a short transition period. In 1979, the Conference of the Parties adopted the Bonn amendment to Article XI of the Convention, which gave Parties the authority to adopt financial provisions. This amendment entered into force in 1987.

"The Executive Director is also prepared to "provide" the Secretariat and to administer the Trust Fund on behalf of the Secretary General if it is your wish that the contributions you make to support the Convention should be chanelled through a United Nations trust fund. If you prefer to handle your funds in some other way that is of course up to you, and we would assist in any way we could to establish such arrangements with you".

Assistant Executive Director of UNEP, Mr Sven Evteev, CITES CoP 3 1981

"*Our view in UNEP is that this Convention has come of age. Since CITES has so palpably demonstrated its worth to governments, we feel the time has come for the Parties to assume the full burden of regular funding. However, if you so wish UNEP would be willing to continue to administer the Trust Fund*."

Executive Director of UNEP Dr Mostafa Tolba, CITES CoP 4 1983

In 1984, the CITES Parties, through the Standing Committee, requested to shift the Secretariat from IUCN to UNEP, which UNEP somewhat reluctantly agreed to do at the time. At the 5th meeting of the Conference of the Parties to CITES in 1985, Deputy Executive Director of UNEP Mr Joseph C. Wheeler said: "*We in UNEP must admit, though, that our decision to agree to the recommendations of the Standing Committee was made with mixed feelings".*

For many years now, the Parties have wholly funded the Secretariat, have paid for all of the administrative support services provided to it, and have given the CITES Trust Fund to UNEP to administer. As explained by the JIU Inspectors in paragraph 216 of their report: "*Support services for MEAs are funded through the programme support cost (PSC) arrangements whereby MEAs are charged a standard percentage of their budgets. UNEP and the United Nations levy 13 per cent, which corresponds to the rate approved by the General Assembly*…." In paragraph 218, the Inspectors further explain that: "*The MEAs are allocated 67 per cent of the programme support costs generated from their activities and UNEP retains 33 per cent. The percentage retained by UNEP is pooled with UNEP-generated programme support costs; this total amount is then utilized to provide administrative services from both UNEP and UNON to the MEAs and the UNEP trust funds*." In paragraph 224, the Inspectors state that: "*In the view of UNON, PSCs should be allocated on the basis of services rendered…. The Inspectors consider that this would make sense, and implies further savings, effectiveness and rationality in restructuring the administrative architecture*." In paragraph 206, they noted that: "*The issue of **full** transparency on the use of programme support costs has not been resolved despite often repeated concerns by Member States*…."

In paragraph 211, the JIU Inspectors further noted that : "*While some MEAs are "administered" by UNEP, in practice, UNEP itself is administered by UNON. So, administrative services to MEAs administered by UNEP are, in fact, delivered either through UNON or, in some cases, UNOG*".

The UN administrative service provider, UNON, was created from UNEP and UN Habitat in 1996, meaning that services were thereafter primarily provided by UNON rather than UNEP. The implications of the service provider function being removed from UNEP and vested in UNON, particularly in relation to the provision of services to the CITES Secretariat, has not been closely reviewed or analysed[7].

Whenever more general legal assistance is needed, beyond what can be provided by CITES Secretariat legal officers, the Secretariat has ordinarily sought such assistance directly from the Senior Legal Adviser in UNOG and the UN Office of Legal Affairs in New York given their broad expertise across the UN system. There has never been any charge for such assistance, which has been both prompt and legally sound.

There are no UN regular budget funds allocated to CITES by either the UN or UNEP, as opposed to the UNFCCC Secretariat. That Secretariat, which is institutionally linked to the UN and receives administrative services from UNOG, obtains UN regular budget funds to support its meetings of the Conferences of the Parties.

[7] *This observation was also made by the Inspectors in the JIU Report in paragraphs 205-215, who concluded there is a need to clearly define support functions for MEAs through a clear service level agreement on the services provided by UNON and UNOG "to the respective client MEAs."*

Advantages:

Retention of the status quo would retain the current financial arrangements for the Secretariat [noting ongoing efforts to identify and implement more cost-effective arrangements as well as the unknown long-term costs of Umoja] and should not require any additional staff time or resources.

As indicated above, a UNEP Task Team is working to improve the effectiveness of existing administrative arrangements. The new UN business system known as Umoja was launched in UNEP, UNON and the CITES Secretariat on 1 June 2015. During the pre-launch and post-launch periods, the delivery of administrative services was substantially slowed as a result of the centralization of various processing steps, the shift to a UN house bank for payments and use of the CITES bank account for the receipt of funds only, and the temporary suspension of certification and approval authority previously exercised by various CITES Secretariat staff. At the time of writing, this situation remains unchanged. It is expected, however, that Umoja will ultimately offer a decentralized, straightforward, transparent and fully electronic means for doing business across the UN system, and UNEP has committed to ensuring the full delegation of relevant powers (e.g. initiation, certification and approval of various transactions) to convention secretariats.

Disadvantages:

The history of the administrative service relationship between CITES, UNEP and UN service providers such as UNOG and UNON has been characterized by 'ups and downs'. Sometimes matters have gone smoothly and at other times there have been difficulties and dissatisfaction, which have been experienced across all UNEP Executive Directors and CITES Secretaries-General (see the historical document –SC66 Inf. 1). Associated transaction costs for the Secretariat in terms of staff time and calendar time have generally been high, particularly in the last few years.

UNEP has negotiated separate bilateral administrative service agreements with UNOG and UNON, which cover services to UNEP-administered convention secretariats such as CITES. Over a period of years, UNEP has gradually increased its reliance on UNON and reduced its reliance on UNOG to provide administrative services. This means that the CITES Secretariat is not geographically close to its primary service provider, which has resulted in communication difficulties and delays on a number of occasions. Many if not all administrative service transactions, especially after the launch of Umoja, must pass through UNEP staff before they are transmitted to UNON staff for the provision of the relevant administrative service, which has added to transaction costs and inefficiencies. UNEP has advised that this is a temporary measure that will be lifted but no end date has been provided.

UNEP's role and function as the environment programme of the UN can become blurred, at times, with its role and function in providing impartial administrative service support to the Secretariat.[8] Initiatives by the UNEP Secretariat or governing bodies to advance UNEP's mandate and/or interests may impact CITES administratively or programmatically and such initiatives may not always align with the views of the CITES Parties. This can lead to tensions in the context of performance reporting, with the Secretary General reporting to the Executive Director of UNEP as well as to the Parties. Institutionally linking the CITES Secretariat to UNEP, rather than directly to the UN, can also create the perception of a link to one particular UN programme and its policy agenda and work programme. UNFCCC Parties expressly sought to avoid these kinds of perceptions and reporting difficulties by institutionally linking the UNFCCC Secretariat directly to the UN (see below).[9]

Steps required:

No additional steps are required in maintaining the status quo as there would not be any changes made to the current hosting arrangement or the Memorandum of Understanding between the CITES Standing Committee and the Executive Director of UNEP.

Costs:

As mentioned above, there is a 67/33 split of PSC between CITES and UNEP. The 33% retained by UNEP covers costs associated with managing the CITES Trust Fund or other trust funds and the provision of various administrative services. Following queries from Parties, UNEP has said that it is not possible to itemize specific

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[8] *Although the MoU between the CITES Standing Committee and the Executive Director of UNEP addresses them as two separate and distinct matters.*

[9] *CITES and the UNFCCC both work across multiple UN and non UN funds and programmes.*

payments against specific administrative (including financial) services that are provided to the Secretariat. This aspect of the current arrangement contrasts with other optional arrangements involving UNOG as the primary service provider, which are set out below as well as with the recommendations contained in the JIU Report[10].

Administrative hosting arrangements – other models within or linked to the UN system

As indicated above, the Secretariat has identified three models of administrative hosting arrangements, in addition to the status quo, which the Working Group may wish to consider.

Option 1: UNEP/UNOG

One option for changing the current hosting arrangements would be to retain a part of the status quo (i.e. the institutional link between the CITES Secretariat and UNEP) and to modify another part (i.e. vest the provision of administrative services wholly in UNOG, with a direct relationship between the CITES Secretariat and UNOG). This arrangement would maintain the CITES Secretariat as a UNEP-hosted convention secretariat but would allow the Secretariat to have direct access to the UN service provider that is located in its Geneva duty station. Indeed, such an arrangement would effectively enhance the earlier arrangement under which the CITES Secretariat received many of its administrative services from UNOG. That arrangement, which the Secretariat found to be efficient and effective, was changed by UNEP over a period of years. During this time, UNEP took steps to establish an administrative services office in Geneva. As the CITES Secretariat has an in-house administrative team, it has generally not needed the support of that UNEP office. UNEP has also taken steps over time to centralize the processing and provision of all administrative services for 'corporate UNEP' (which is considered by UNEP to include convention secretariats). One of the suggested reasons for the centralization of administrative services was cost savings but these have not been demonstrated or documented for CITES Parties, and there has been no actual cost savings to the Convention to date.

Since the launch of Umoja on 1 June 2015, staff of UNEP's administrative services office in Geneva have been given the right to certify and approve various administrative transactions initiated by the CITES Secretariat. UNEP has advised the Secretariat that its staff will regain their certification (and approval) rights at some point in the future.

Umoja will be launched by UNOG on 1 November 2015. Following that launch, UNOG will be recognized in Umoja as one of the service providers which the CITES Secretariat can select for the delivery of specific administrative services.

Consultations between the Secretariat and staff of UNOG indicate that UNOG, if requested, is able to provide all of the administrative services required by the CITES Secretariat, should relevant legal and/or policy decisions be taken by CITES Parties. These preliminary consultations also indicated that UNOG is able to charge per service rendered and to reflect this itemized approach in its reporting to a client organization. Related consultations between the CITES Secretariat and the UNCCD Secretariat, which receives virtually all of its administrative services from UNOG, indicated that the estimated cost of obtaining all administrative services from UNOG would likely be equivalent to the current cost of obtaining services through UNEP but further work would be required in this regard to be sure.

Advantages:

As indicated above, the UNEP/UNOG option would retain the historic institutional link to UNEP. In addition, however, it would allow the Secretariat to gain direct access to the UN service provider in close physical proximity to the Secretariat (i.e. UNOG). This change should not entail additional costs and should reduce delays in the processing and provision of administrative services.

Direct access to the service provider in close physical proximity to the Secretariat would also eliminate extra steps in the present delivery of administrative services, which require UNEP review or action, and would avoid any 'double handling' by UNEP and UNOG.

Importantly, there would be enhanced transparency for Parties regarding the cost of specific administrative services as UNOG will be able to indicate the actual charge per service rendered[11].

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[10] *See JIU Report paragraph 206 and paragraphs 216-225.*

[11] *See JIU Report paragraph 206 and paragraphs 216-225.*

Disadvantages:

As the Secretariat would still have an institutional link to UNEP, this option may have many of the disadvantages identified under the status quo (e.g. ups and downs in the service relationship between CITES and UNEP and certain associated transaction costs).

As indicated above, UNEP's role and function as the environment programme of the UN can become blurred, at times, with its role and function in providing impartial administrative service support to the Secretariat. Initiatives by the UNEP Secretariat or governing bodies to advance UNEP's mandate and/or interests may impact CITES administratively or programmatically and such initiatives may not always align with the views of the CITES Parties. This can lead to tensions in the context of performance reporting, with the Secretary General reporting to the Executive Director of UNEP as well as to the Parties. Institutionally linking the CITES Secretariat to UNEP, rather than directly to the UN, can also create the perception of a link to one particular UN programme and its policy agenda and work programme. UNFCCC Parties expressly sought to avoid these kinds of perceptions and reporting difficulties by institutionally linking the UNFCCC Secretariat directly to the UN.[12]

This option would involve a triangular relationship among the CITES Secretariat, UNEP and UNOG and similarly triangular reporting lines. As noted above, there would be possible implications for Umoja.

Steps required :

It may be necessary for the Conference of the Parties to revise Resolution Conf. 16.2 on *Financing and the costed programme of work for the Secretariat for the triennium 2014-2016* (or its successor resolution) to reflect changes in the current administrative arrangement. It may also be necessary to revise the Memorandum of Understanding between the Standing Committee and the Executive Director of UNEP and the Delegation of Authority between the Executive Director and the Secretary-General.

In addition, a resolution or decision of the United Nations Environment Assembly (UNEA) may be needed to supplement the above-mentioned decision taken by the Conference of the Parties to CITES. Through such a resolution or decision, UNEA might request UNOG to act as the service provider for the CITES Secretariat while retaining the institutional linkage with UNEP[13].

A Memorandum of Understanding will be required for the provision of services by UNOG to the CITES Secretariat, perhaps also signed by UNEP as the host institution for the Secretariat (see 2004 Memorandum of Understanding between UNOG and the UNCCD Secretariat – document SC66 Inf.2).

Option 2: UNFCCC/UN/UNOG or UNCCD/UN/UNOG

A second option for changing the current administrative hosting arrangements would be to have the CITES Secretariat administered directly by UNOG in the same manner as the UNFCCC and UNCCD Secretariats, which were established 20 years after CITES. Under this kind of arrangement, the CITES Secretariat would be institutionally linked to the UN but not integrated into the management structure of any specific department, programme or agency [see Summary of Hosting Arrangements of the UNFCCC Secretariat and the Institutional Linkage of the UNFCCC Secretariat to the United Nations (UNFCCC Secretariat, 27 August 2014) – document SC66 Inf.3].

> "[T]*he Convention secretariat shall be institutionally linked to the United Nations , while not being fully integrated in the work programme and management structure of any particular department or programme*."
>
> Conference of the Parties to UNFCCC, Decision 14/CP.1 (1995)

[12] *CITES and the UNFCCC both work across multiple UN and non UN funds and programmes.*

[13] *Noting the shift of the Secretariat from IUCN to UNEP was undertaken based upon a recommendation of the Standing Committee and a decision of the Executive Director.*

The CITES Secretary-General would continue to be appointed by the UN Secretary-General, which would be done in consultation with the Conference of the Parties through its Standing Committee. The CITES Secretariat would remain an autonomous and independent treaty body accountable, first and foremost, to the Conference of the Parties. The CITES Secretary-General would report on administrative matters to the UN Secretary-General through the Under-Secretary-General for Management and on substantive matters through the Under-Secretary-General for Economic and Social Affairs. The Secretary-General would function within the scope of a broad delegation of authority, including full authority on personnel matters and specific authority and responsibility on financial matters [see 1998 Memorandum on Arrangements for Administrative Support by the United Nations Secretariat to the Permanent Secretariat to the United Nations Convention to Combat Desertification (UNCCD) – document SC66 Inf.4]. CITES Secretariat staff would be UN rather than UN/UNEP staff, would have essentially the same rights and responsibilities as they do now (e.g. use of the UN laissez-passer for official business, privileges and immunities of the UN, etc.) and would continue to operate under UN rules and regulations. It would no longer be necessary, however, for them to operate as well under the separate and additional UNEP rules and regulations.

The CITES Secretariat would benefit from the advice and policy support provided by the UN Department of Economic and Social Affairs (UN-DESA), the UN Office of Legal Affairs and other departments, programmes and agencies involved in contributing to work on trade, the environment and development in relation to the regulation of international trade in wildlife and wildlife products.

Management of the CITES Trust Fund would be shifted from UNEP to the UN. The accounts and financial management of all CITES funds would be subject to the internal and external audit process of the UN. It might be possible for CITES Parties to explore obtaining financing for conference-servicing costs for sessions of the Conference of the Parties, the Standing Committee and the scientific committees from the regular budget of the United Nations with actual service being provided by UNOG.

UNOG would provide payroll, investment, treasury and support services on a cost-per-service basis.

"*UNFCCC independently manages and presents its budgets and financial reports directly to the Conference of the Parties. Services provided by either United Nations Headquarters (e.g. administration of justice, ombudsman's services) and UNOG (e.g. issuance of laissez-passer, Integrated Management Information System (IMIS), payroll, treasury) are conducted under specific written agreements and billed separately on an annual basis to UNFCCC. Those services rendered per the administrative arrangements were reported satisfactory*."

JIU Report, paragraph 215

Advantages:

Such an arrangement is a tried and tested, as well as a successful, model as is also reflected in the JIU Report. It would allow the CITES Secretariat to benefit from the UN institutional, programmatic, financial and administrative framework. It would serve as an efficient arrangement for administrative support to the Secretariat that would ensure proper procedures, controls and accountability while allowing for managerial autonomy, flexibility and accountability to the Conference of the Parties. It acknowledges the autonomy of the Secretariat while enabling it to draw upon the advice and support of, and close working relationships with, the departments, programmes and agencies of the UN.

It would allow the CITES Secretariat direct access to the UN service provider located in its Geneva duty station, giving it close physical proximity to its service provider. As indicated above, UNOG would charge the Secretariat per service rendered which would offer both the Secretariat and Parties more transparency in the costing and provision of administrative services than is currently the case. It could be represented at meetings of the CITES Standing Committee to report to the Committee on the provision of services to the Secretariat.

The Secretariat would be linked to the UN but not integrated into the management structure of any department, programme or agency (noting the Secretariat has programmatic relationships with multiple UN entities including FAO, UNDP, UNEP, UNODC, UNCTAD etc.). This would allow the CITES Secretariat increased autonomy and would enable administrative services to be tailored to its specific needs and to be delivered in a prompt and cost-effective manner. It should result in lower long-term transaction costs. It would allow CITES to focus its energy on the programmatic relationship between CITES and UNEP rather than the current and historic focus on administrative issues.

Any potential difficulties or challenges could be easily discussed and resolved with UNOG, as their staff are already known to CITES Secretariat staff and both bodies are located in Geneva.

With such arrangement, there would not be any potential conflict of interest issues in connection with UNEP.

Disadvantages:

This option would require several changes to the current arrangement, involving resolutions or actions by the Conference of the Parties to CITES[14], UNGA and possibly Switzerland as the host country (although any UNGA resolution may allow CITES to benefit from the 1946 Agreement on Privileges and Immunities of the United Nations concluded between the Swiss Federal Council and the Secretary-General of the United Nations).

Steps required :

A new or revised resolution by the Conference of the Parties to CITES would be needed to establish the institutional linkage of the CITES Secretariat to the United Nations. Such a new or revised resolution might expressly provide the Secretariat with legal capacity.[15]

In addition, a resolution of the UN General Assembly would be needed to endorse the institutional linkage between the CITES Secretariat and the United Nations, as advised by the UN Secretary-General and adopted by the Conference of the Parties to CITES. Several recent UNGA resolutions have made direct reference to the CITES Secretariat, as mentioned on page 2 above, and one includes a request for the CITES Secretariat to facilitate the observance of World Wildlife Day.

There is precedent for such a UNGA resolution, as well as for memoranda of understanding for the provision of services, through what has been adopted for or by the UNFCCC and UNCCD Secretariats.

As in option 1 above, a Memorandum of Understanding will be needed for the provision of services by UNOG to the CITES Secretariat and there are existing agreements of this kind already in place for other convention secretariats (see 2004 Memorandum of Understanding between UNOG and the UNCCD Secretariat – document SC66 Inf.2).

Option 3: OPCW

A third option for changing the current administrative hosting arrangements would be to have the CITES Secretariat recognized as an independent, autonomous international organization in a working arrangement with the United Nations, pursuant to an agreement between the CITES Secretariat and the UN, as has been done by the Organization for the Prohibition of Chemical Weapons (OPCW). Under this kind of arrangement, similar to option 2, the CITES Secretariat would establish a relationship with the UN but would not be integrated into the management structure of any specific department, programme or agency (see OPCW Decision on Relationship Agreement between the United Nations and the OPCW).

The CITES Secretariat would undertake to conduct its activities in accordance with the purposes and principles of the UN Charter.

The above-mentioned relationship would provide for close cooperation between the CITES Secretariat and the UN within their respective mandates and consultation on matters of mutual interest and concern. It would also provide for their effective coordination and the avoidance of unnecessary duplication of their activities and

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[14] *Noting the shift of the Secretariat from IUCN to UNEP was undertaken based upon a recommendation of the Standing Committee and a decision of the Executive Director.*

[15] *Such a resolution might draw upon the draft resolution reflected under agenda item 8 of the Summary Record of the 54th meeting of the Standing Committee (Geneva, October 2006).*

services. The CITES Secretary-General would report on a regular basis, as appropriate and as duly mandated by the governing bodies of CITES, through the UN Secretary-General to the UN General Assembly and the Security Council. The UN Secretary-General would transmit to the CITES Secretariat relevant resolutions of the UN General Assembly of the Security Council. The two entities would have reciprocal representation in each other's meetings and could propose agenda items for consideration by their respective governing bodies.

CITES Secretariat officials would be entitled, in accordance with administrative arrangements concluded between the UN Secretary-General and the CITES Secretary-General, to use the laissez-passer of the UN. The CITES Secretariat and the UN would consult whenever necessary concerning matters of common interest relating to the terms and conditions of employment of staff. The CITES Secretariat would follow, as far as may be practicable, the standard budgetary and financial practices and forms used by the UN and might establish budgetary and financial cooperation with the UN.

Advantages:

Like option 2, such an arrangement is a tried and tested, as well as a successful, model. It would acknowledge the full autonomy of the Secretariat while enabling it to draw upon the advice and support of, and close working relationships with, the departments, programmes and agencies of the UN.

This option should allow the CITES Secretariat direct access to the UN service provider located in its Geneva duty station (UNOG), under an administrative arrangement agreed with the UN. As indicated above, UNOG would charge the Secretariat per service rendered which would offer both the Secretariat and Parties more transparency in the costing and provision of administrative services than is currently the case. This arrangement should also result in lower long-term transaction costs.

As in option 2, the CITES Secretariat would have an agreed relationship with the UN but would not be integrated into the management structure of any department, programme or agency.

Again as in option 2, with such arrangement there would not be any potential conflict of interest issues in connection with UNEP.

Disadvantages:

This option would require a number of changes to the current arrangements, involving multiple resolutions or actions by the Conference of the Parties to CITES, UNGA and Switzerland as the host country.

Steps required :

A new or revised resolution by the COP to CITES would be needed to establish a relationship between the CITES Secretariat and the United Nations. Such a new or revised resolution might expressly provide the Secretariat with legal capacity[16]. Alternatively, it might approve a headquarters agreement between the CITES Secretariat and Switzerland which: recognizes the full legal personality of the Secretariat and affords it legal capacity; provides for relevant privileges and immunities; etc.

In addition, a resolution of the UN General Assembly would be needed to approve the relationship agreement between the CITES Secretariat and the United Nations (see UNGA Resolution 55/283 on Cooperation between the United Nations and the Organization for the Prohibition of Chemical Weapons).

As in option 1 above, a Memorandum of Understanding will be needed for the provision of services by UNOG to the CITES Secretariat and there are existing agreements of this kind already in place for other convention secretariats (see 2004 Memorandum of Understanding between UNOG and the UNCCD Secretariat – document SC66 Inf.2).

Moreover, a headquarters agreement would need to be concluded between the CITES Secretariat and Switzerland (see the Decision of the Conference of the Parties to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction on the OPCW Headquarters Agreement). Such agreements often require substantial time and effort to negotiate.

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[16] *Such a resolution might draw upon the draft resolution reflected under agenda item 8 of the Summary Record of the 54th meeting of the Standing Committee (SC54, Geneva, October 2006).*

Summary

This briefing note describes, in a structured way and with supplementary footnotes and attachments (information documents), the current administrative hosting arrangements for the CITES Secretariat and three possible options for revised hosting arrangements. The note has been prepared to assist the Working Group in implementing its terms of reference agreed at SC65. As the note is meant to be an information tool for the Working Group, it does not contain any recommendations. This briefing note is not a comprehensive description of existing or optional administrative hosting arrangements. Rather, it is intended to serve as a discussion document for the Working Group.

Information documents:

- SC66 Inf.1 – Administrative Hosting Arrangements for the CITES Secretariat – A brief history
- SC66 Inf.2 - 2004 Memorandum of Understanding for the Provision of Services by the United Nations Office at Geneva (UNOG) to the Secretariat of the United Nations Convention to Combat Desertification (UNCCD)[17]
- SC66 Inf.3 - Summary of Hosting Arrangements of the UNFCCC Secretariat and the Institutional Linkage of the UNFCCC Secretariat to the United Nations (UNFCCC Secretariat, 27 August 2014))
- SC66 Inf.4 - 1998 Memorandum on Arrangements for Administrative Support by the United Nations Secretariat to the Permanent Secretariat to the United Nations Convention to Combat Desertification (UNCCD)

[17] *Note: there have been two amendments to this document, which are not attached.*