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CONFERENCE OF THE PARTIES TO THE INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH Twenty-seventh meeting Brasilia, Brazil, 5-6 June 2019 Agenda item 6

Decision XXVI/6: Different options regarding increases to Party contributions and possible use of United Nations post adjustment scales on professional staff salaries

1. This document has been prepared by the IAI Directorate with guidance from the Financial and Administrative Committee.

## **Background**

2. Article XIII, paragraph 1 of the Agreement Establishing the Inter-American Institute for Global Change Research states:

A budget of operational expenses for the Institute, consisting of salaries for the Directorate and basic support for the Directorate, Scientific Advisory Committee, and Executive Council shall be supported by the voluntary contributions pledged annually Parties. Such pledges shall be in increments of US\$ 5,000. The adoption of the annual budget shall be by consensus of the Parties. The Parties recognize that regular contributions to the operational budget are essential to the success of the Institute and that such contributions shall take into account the research resources of the contributing Parties.

3. The Conference of the Parties, at its twenty-sixth meeting (Antigua, 2018), adopted Decision XXVI/6 which states:

The Conference of the Parties instructs the IAI Directorate to work with the Financial and Administrative Committee to present to CoP-27 different options regarding increases to Party contributions and possible use of United Nations post adjustment scales on professional staff salaries.

## Options regarding increases to Party contributions

- 4. Party contributions for 2019-2020 under the proposal presented in document no. IAI/COP/27/5/Annex 2, Financial and Budgetary matters, Annex 2: Core Budget and Country Contributions for FY 2019-2020 and Preliminary request 2021-2023, remains unchanged from the 2018-2019 financial year. Parties are invited to refer to this document for information on current Party contributions.
- 5. It is noted that, with the exception of Parties which adhered to Decision XXII/10, the amount of contributions, i.e. USD5000, remains unchanged for most Parties<sup>1</sup> since the entry into force of the Agreement in 1992.
- 6. Moreover, USD5000 in January 1992 had the same buying power as USD9113.40 in January 2019. Or, alternatively, since 1992, Party contributions remaining at the USD5000 level have lost approximately 45% of its purchasing power.
- 7. Under this scenario, two options would be possible:
  - a. Option 1: Party contributions at the USD5000 level remain unchanged keeping the purchasing power of contributions at USD2750;
  - b. Option 2: Party contributions at the USD5000 level increase by USD2250 for a total of USD7250 keeping the purchasing power of contributions at USD5000;
  - c. Option 3: Party contributions at the USD5000 level increase by USD4000 for a total of USD9000, increasing the purchasing power of contributions.

## Possible use of United Nations post adjustment scales on professional staff salaries

8. At CoP-26, Parties adopted Decision XXVI/1 on the Core Budget for fiscal year 2018-2019.

<sup>&</sup>lt;sup>1</sup> Parties under this category include: Bolivia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Jamaica, Panama, Paraguay, Peru and Uruguay.

- The Core Budget for 2018-2019 also adopted use of the of the UN salary scales for professional and higher categories<sup>2</sup> to establish a baseline for professional salaries at the IAI Directorate.
- 10. At the recommendation of the Financial and Administrative Committee, Parties did not adopt the corresponding post adjustment as established by the United Nations International Civil Service Commission<sup>3</sup> and used a post adjustment of 1.8% on salaries of IAI professional staff.
- 11. The Financial and Administrative Committee and the IAI Directorate note that the post adjustment established by the United Nations International Civil Service Commission for Montevideo, Uruguay for April 2019 is 42.7% against the current post adjustment used by the IAI Directorate of 25.01% which includes an adjustment for inflation.

## **Recommendation**

- 12. Given the economic challenges currently faced by many of the IAI Parties, the Financial and Administrative Committee and the IAI Directorate believe that it is not an opportune moment to requests increases to Party contributions and to the post adjustment of IAI professional staff.
- 13. The Financial and Administrative Committee and the IAI Directorate recommend that Parties keep contributions and the post adjustment at their currently levels.
- 14. Parties are invited to take note of this report.

<sup>&</sup>lt;sup>2</sup> See: <u>https://www.un.org/depts/OHRM/salaries\_allowances/salary.htm</u>

<sup>&</sup>lt;sup>3</sup> https://icsc.un.org/Home/DataPostAdjustment