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**CONFERENCE OF THE PARTIES TO THE  
INTER-AMERICAN INSTITUTE FOR GLOBAL  
CHANGE RESEARCH  
Twenty-sixth meeting  
Antigua, Guatemala, 20-21 June 2018  
Agenda item 5b**

### **Financial and budgetary matters**

#### **Annex 2: Core budget and country contributions for FY 2018-2019 and preliminary request 2019-2021**

1. This document has been prepared by the IAI Directorate.

#### Introduction

##### Operational budget

2. Below is the proposal for the 2018-2019 core budget and the preliminary request for 2019-2021.
3. In this proposal the country contributions and the core budget remain unchanged from 2017-2018. However, professional staff salaries are matched against the United Nations (UN) *salary scales for professional and higher categories*.<sup>1</sup> A post adjustment of 32% is applied to the salaries.

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<sup>1</sup> *The level of salaries for Professional staff is determined on the basis of the Noblemaire Principle which states that the international civil service should be able to recruit staff from its Member States, including the highest-paid. Therefore, the salaries of Professional staff are set by reference to the highest-paying national civil service. The International Civil Service Commission (ICSC) makes a periodic check to identify the national civil service of the Member State which has the highest pay levels and which by its size and structure lends itself to a significant*

## UN salary scales for professional and higher categories

4. The reasons for use of the *UN salary scales for professional and higher categories* are outlined below.
5. First, and currently, IAI Directorate salaries lack a base for comparisons when deciding on remuneration for new staff. This may lead to divergences in salaries among staff at the same level with equal responsibilities.
6. Second, the IAI Directorate would be able to apply the *Noblemaire* principle and be able to provide an adequate measurement of salaries for international civil servants. This will facilitate the ability of the IAI Directorate to more easily recruit staff from its Parties.
7. Third, it is also noted that most international and regional organizations adhere to the UN salary scales for professional and higher categories, the Organization of American States, perhaps the regional American organization with the governance structure most similar to that of the IAI, being a case in point.
8. Fourth, recruitment of international staff, particularly in terms of geographical balance, is facilitated since it becomes easier to explain remuneration and benefits.

## Overview of the IAI Directorate

### Posts, consultancies and internships

9. Administration of the IAI Directorate during the intersessional period has undergone several changes. These changes reflect efforts to streamline processes, implement a more coherent approach to staff responsibilities and tasks and, most importantly, reduce expenses.
10. The post of Operations Assistant was changed to Operations and financial assistant, part-time, to better reflect the needs of the IAI Directorate including support to the finance unit. This new post is also providing translation support, when needed.
11. The Director of Administration, Finance and Operations resigned from his post on 31 March 2018. A Director level position may not be necessary for this post and, until the IAI Directorate is able to ascertain its full requirements, the position is being held temporarily by an Acting Administration, Finance and Operations Officer.
12. The post of International Partnerships and UN Liaison was upgraded to a Director level in acknowledgement of substantial increased responsibilities, including management

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*comparison. The federal civil service of the United States of America has to date been taken as the highest paid national civil service. (see: United Nations salaries, allowances, benefits and job classification: Salaries and post adjustment. (URL: [http://www.un.org/Depts/OHRM/salaries\\_allowances/salary.htm](http://www.un.org/Depts/OHRM/salaries_allowances/salary.htm))*

and supervision of activities related to fund-raising and communications, and in light of the level of strategic advice provided to the Executive Director.

13. The post of Science-Policy is currently held by the Executive Director, given the termination of the consultancy in Buenos Aires, Argentina. Discussions are being held with the United States regarding possible support for the post.
14. The post of Executive Assistant to the Director was upgraded to include responsibilities related to the coordination of work on open data and information and communication technologies.
15. The consultancy for the post of Science-Policy counselor was not renewed as the expertise under this consultancy is available in the IAI Directorate.
16. However, use of consultancies has increased in the IAI Directorate, reflecting the need for temporary specialized services and also the need to reduce full time staff costs. In this regard, a consultancy for the provision of technical expertise in the development and implementation of an IAI open data catalog joined the IAI Directorate in 2018. The IAI Directorate acknowledges the generous contributions by the National Science Foundation (NSF) and the Center for Earth Observation Sciences (CEOS), the University of Alberta towards the partial fulfillment of the consultant's fees.
17. A consultancy regarding expertise related to science was also acquired by the IAI Directorate with a view to providing an outside review of its work and assisting in the development of granting proposals and drafting of reports.
18. The IAI has started a process of recruiting interns supported by their countries or other sources. During the intersessional period, the Republic of Korea provided an internship to the IAI Directorate for a period of six months. This internship assisted the IAI Directorate in completing a number of projects including, but not limited to, a reconversion project to make missing information on the Conference of the Parties (CoP) available on the website, a consolidation and re-numbering of CoP Decisions, assigning meeting documents their correct categories and the development of a news and published research service to IAI Directorate staff. In September 2018 a new intern from Costa Rica will start her training experience with the IAI fully supported by the University of Michigan.
19. Information on changes to posts related to information and communication technologies is provided in the section below.

#### Information and communication technologies

20. Work related to information and communication technologies, including the IAI Directorate network, hardware and telephony were centralized through a contracting firm based in Montevideo, Uruguay. Previously, such services were dispersed with different responsibilities held by 2 different in-house consultants and two companies in Buenos

Aires, Argentina. This rationalization of work has resulted in an annual saving of USD6000.

21. In addition, legal software licenses were updated or acquired, security of the network and website were strengthened and an IP telephony system implemented which has provided staff with office telephones.
22. Following several comments by participants of IAI video meetings on the non-functionality of the IAI Directorate's video conference system, Big Blue Button, the IAI Directorate tested several different off-the-shelf packages, including GoToMeeting, ZOOM, and SKYPE for business. ZOOM met the requirements of the IAI Directorate, offered the best price and can accommodate multi-language needs. The software was acquired and is currently being used by IAI staff.

#### Implementation of the Tripartite Agreement

23. Information on implementation of the Tripartite Agreement is provided in document *Decision XXV/30: Implementation Committee for the Tripartite Structure of the IAI*, no. IAI/COP/26/13.

#### Internal Controls

24. Internal controls are monitored and updated as necessary and as appropriate. At the time of writing, there are no critical internal control issues outstanding either from the Financial and Administrative Committee or the External Auditors.
25. Information on the 2017-2018 Auditors Report is provided in document *Annex 3: Auditors Report and approval of Financial Status report*, no. IAI/COP/26/5/annex3. The Auditors report was received without qualifications.

#### Accounting and information management software

26. The Financial and Administrative Office of IAI continues to streamline everyday activities, financial reporting, project monitoring, while maintaining internal controls, and satisfactory external audit results.
27. As in past years, the budget for 2018/2019 includes the contracting of an additional position to improve management, reporting and analysis, particularly of the science and capacity building programs, and assist the development of accounting records, for those activities across Parties.
28. Besides the analysis of financial reports and requests received from the grantees, Finance and Administration is responsible for the assessment and monitoring of the

financial and administrative capabilities of prospective and current grantees as well as for the control of all contracts issued by the Directorate.

29. Ongoing activities include budget development, strategic planning, as well as management reporting and analysis.

Budget Request for Fiscal Year 2018-2019: Overview

30. The Core budget comparison for 2018/2019 – 2017/2018 is presented in Table I below.

31. The Core budget preliminary request for fiscal years 2019-2021 is presented in Table II below.

Core budget comparison

**Table I: Budget Comparison 2018/2019 – 2017/2018  
Summary by major category**

<b>Amounts in US\$</b>	<b>Fiscal Year 2018-2019</b>	<b>Fiscal Year 2017-2018</b>	<b>Difference</b>
<b>Salaries &amp; Benefits</b>	993,062	978,903	14,159
<b>Travel</b>	86,930	99,280	(12,350)
<b>Equipment</b>	13,198	10,700	2,498
<b>Operational Costs</b>	233,810	218,117	15,693
<b>Dissemination &amp; Outreach</b>	19,000	39,000	(20,000)
<b>Director's Fund</b>	54,000	54,000	-
<b>Total</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>(0)</b>

Preliminary request for 2019-2021

Core budget preliminary request for fiscal years 2019-2021

**Table II: Budget by Year 2018/2019 - 2019/2020 – 2020/2021  
Summary by major category**

<b>Amounts in US\$</b>	<b>Fiscal Year 2018-2019</b>	<b>Fiscal Year 2019-2020</b>	<b>Fiscal Year 2020-2021</b>
<b>Salaries &amp; Benefits</b>	993,062	1,056,616	1,057,710
<b>Travel</b>	86,930	91,232	93,940
<b>Equipment</b>	13,198	15,000	6,639
<b>Operational Costs</b>	233,810	257,152	261,711
<b>Dissemination &amp; Outreach</b>	19,000	20,000	20,000
<b>Director's Fund</b>	54,000	60,000	60,000
<b>Total</b>	<b>1,400,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

The budget for 19/20 and 20/21 are for reference and planning purposes, and each year a three-year budget will be presented, however approval for each one is made yearly.

Salaries and Benefits

32. Under this category the cost of 5 internationally recruited positions, 2 locally hired staff in Uruguay are budgeted.

33. The current details by employee status are provided in Table III below.

**Table III**

<b>Employees by Type</b>	<b>Quantity</b>
<b>International Staff</b>	<b>5</b>
<b>Locally Hired (IAI)</b>	<b>2</b>
<b>Provided by LATU</b>	<b>2</b>

34. Under the proposed 2018-2019 core budget, salaries of staff would be matched against the United Nations professional salary scales. Accordingly, salary scales would be based on Professional grades (P-1 to P-5) and two Director levels (D-1 and D-2)<sup>2</sup>.

#### Travel

35. The travel budget for the 2018/2019 fiscal year has been decreased from the previous fiscal year. This item covers travel for EC, CoP, SAC, SPAC meetings, visit to Parties.

#### Operational expenses

36. This budget category primarily includes support for the following: staff training, professional services (external audit, legal advice, IT Services, translations, accounting services, office supplies and communication costs, and meeting support for the Scientific Advisory Committee - SAC and for the Science-Policy Advisory Committee - SPAC).

#### Dissemination and Outreach

37. The costs of the IAI outreach activities are expected to decrease from that of last year. This component of the budget also includes web design.

#### Director's Special Fund

38. The Director's Special Fund is level with the previous fiscal year at USD54,000.

#### Party Contributions to the Core Budget

39. Country contribution under this proposal remains unchanged from 2017-2018.
40. However, it is noted that, excepting Parties which adhered to Decision XXII/10, the amount of contributions remains unchanged for most Parties since the entry into force of the *Agreement* in 1992.
41. Moreover, USD5000.00 in January 1992 had the same buying power as USD8974.19 in January 2018<sup>3</sup>, or, in other words, the purchasing power in 2018 of the Core Budget has decreased significantly.

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<sup>2</sup> See: United Nations International Civil Service Commission. *Salary scale for the Professional and higher categories: Annual gross salaries and net equivalents after application of staff assessment In US dollars - effective 1 January 2018*. (<https://icsc.un.org/resources/sad/ss/sal201801.pdf>)

42. Given the lateness in submitting or the non-submission of contributions by some Parties, the capacity of the IAI Directorate to meet its operational responsibilities is under strain.
43. While for fiscal year 2018-2019, the IAI Directorate proposes to not increase the level of contributions from the previous fiscal year, Parties may wish to consider voluntary increases to the core budget, particularly those Parties whose contributions have not increased since 1992.
44. It should be noted that the last increase to the budget was adopted by CoP-22 (Mexico, D.F., 2014) four years ago. The increase accorded by CoP-22 totaled USD116000.
45. During the 2018-2019 intersessional period, the IAI Directorate also proposes 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.

#### Recommendation

46. The Conference of the Parties is invited to consider adopting the draft decisions contained in the Annex to the present document.

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<sup>3</sup> United States. Department of Labor. Bureau of Labor Statistics. *CPI inflation calculator*. ([https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm))



Annex

## **Draft decisions of the Conference of the Parties**

### **Core Budget**

#### **Directed to the Conference of the Parties**

XXVI/xx. The Conference of the Parties accepts and approves the Core Budget for fiscal year 2018-2019.

XXVI/xx. The Conference of the Parties accepts and approves the Core budget preliminary request for fiscal years 2019-2021.

### **Party Contributions**

#### ***Directed to the Conference of the Parties***

XXVI/xx. The Conference of the Parties urges Parties to submit their contributions to the Core Budget in a timely manner and in accordance with the basic scale and encourages them to make extraordinary contributions above their regular contributions whenever possible and as appropriate.

XXV/xx. The Conference of the Parties invites Parties to submit their contributions as far as possible during the year prior to the one to which they relate or, otherwise, by the beginning of the calendar year to which the contributions apply.

#### ***Directed to the IAI Directorate***

XXVI/xx. The Conference of the Parties instructs the IAI Directorate to continue to monitor Parties that have pending contributions to the Agreement by sending reminders twice yearly, with copies to the permanent missions in Montevideo, Uruguay and initiating discussions with

the permanent missions in Montevideo of the Parties with pending contributions for three or more years.

XXVI/xx. 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.