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**CONFERENCE OF THE PARTIES TO THE
INTER-AMERICAN INSTITUTE FOR GLOBAL
CHANGE RESEARCH**

Vigésimo octava reunión

Videoconferencia, 19 de agosto de 2020

Tema de agenda: 5b

Financial and budgetary matters

**Annex 2: Core budget and country contributions for FY 2020-2021 and preliminary
request 2021-2023**

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

Introduction

Operational budget: Introduction

2. This document presents the request for the Core Budget and country contributions for the fiscal year 2020-2021 and the preliminary request for the fiscal years of 2021-2023.
3. Increases to the Core Budget and to staff salaries are not requested under this proposal.

Overview of the IAI Directorate

Posts, consultancies and internships

4. Administration of the IAI Directorate during the intersessional period 2019-2020 continues to undergo changes in an effort to reduce costs. These changes reflect efforts to

streamline processes, implement a more coherent approach to staff responsibilities and tasks and, most importantly, reduce expenses.

5. Use of consultancies continues reflecting the need for temporary specialized services and also the need to reduce full time staff costs.
6. The IAI Directorate notes the valuable contribution of interns to the completion of many activities and projects during the 2019-2020 intersessional period. The IAI Directorate notes the contribution by the Republic of Korea to provide internships for a period of six months. This internship has contributed greatly to completion of the digitization of official IAI documents and to the implementation of the Science, Technology, Policy (STeP) Fellowship Program.
7. The IAI Directorate and the Republic of Korea Environment Corporation, International Cooperation Division have agreed to establish an Memorandum of Understanding to increase participation of Korean early career researchers and universities and the activities of the IAI.

Information and communication technologies

8. Work related to information and communication technologies, including the IAI Directorate network, hardware and telephony continues to be centralized through a contracting firm based in Montevideo, Uruguay.
9. A re-organization of information on the IAI website is ongoing. A web database of peer reviewed articles generated by projects under the Collaborative Research Networks and Small Grants Program is in development and should be publicly available in the winter/summer of 2021 (southern and northern hemisphere respectively).

Internal Controls

10. 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 Administrative Committee or the External Auditors.
11. Information on the 2019-2020 Auditors Report is provided in document IAI/COP/28/5/ANNEX/3, *Annex 3: Auditors Report*. The Auditors report was received without qualifications.
12. 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.
13. 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.

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

Budget Request for Fiscal Year 2019-2020: Overview

15. The Core budget comparison for 2020/2021 – 2019/2020 is presented in Table I below.
16. The Core budget preliminary request for fiscal years 2020-2023 is presented in Table II below

Core budget comparison

Table I: Budget Comparison 2020/2021 – 2019/2020
Summary by major category

Amounts in US\$	Fiscal Year 2020-2021	Fiscal Year 2019-2020	Difference
Salaries & Benefits	993,062	993,062	-
Travel	52,168	86,930	(34,762)
Equipment	9,000	9,000	-
Operational Costs	238,008	238,008	-
Dissemination & Outreach	53,762	19,000	34,762
Director's Fund	54,000	54,000	-
Total	1,400,000	1,400,000	-

Preliminary request for 2020-2023

Core budget preliminary request for fiscal years 2020-2023

Table II: Budget by Year 2020/2021 - 2021/2022 – 2022/2023
Summary by major category

Amounts in US\$	Fiscal Year 2020-2021	Fiscal Year 2021-2022	Fiscal Year 2022-2023
Salaries & Benefits	993,062	1,040,929	1,041,967
Travel	52,168	91,232	93,940
Equipment	9,000	15,000	6,639
Operational Costs	238,008	272,839	277,454
Dissemination & Outreach	53,762	20,000	20,000
Director's Fund	54,000	60,000	60,000
Total	1,400,000	1,500,000	1,500,000

Salaries and Benefits

17. Under this category the cost of 5 internationally recruited positions, 2 locally hired staff and one part-time staff in Uruguay are budgeted.
18. Two staff members are provided by the Technical Laboratory of Uruguay in accordance with the host country agreement with the IAI.
19. The current details by employee status are provided in Table III below:

Employees by Type	Quantity
International Staff	5
Locally Hired (IAI)	2
Provided by LATU	2

There are no requests for salary increases for the 2020-2021 fiscal year.

Travel

20. The travel budget for the 2020/2021 fiscal year remains unchanged from 2019-2020. It includes attendance to the Executive Council and Conference of the Parties meetings for the Executive Director, area Directors, and two Assistants; it also includes attendance by IAI staff at the SAC and SPAC Meetings and other travel based on previous years.
21. The IAI Directorate notes that the impact of COVID-19 on travel for the 2020-2021 intersessional period is unknown and these amounts assume resumption of travel in the second half of the intersessional period.

Operational expenses

22. 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

23. The costs of the IAI outreach activities are being kept level with that of last year. This component of the budget also includes web design and support.

Director Special Fund

24. The Director's Special Funds remains unchanged from the previous fiscal year for a total of USD 54,000.

Party Contributions to the Core Budget

25. Country contribution under this proposal remains unchanged from 2019-2020. The IAI Directorate is sensitive to the economic challenges faced by Parties owing to COVID-19.
26. 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.
27. 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.
28. While for fiscal year 2020-2021, 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.

Recommendation

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

Annex

Draft decisions of the Conference of the Parties

Core Budget

Directed to the Conference of the Parties

XXVIII/xx. The Conference of the Parties accepts and approves the Core Budget for fiscal year 2020-2021 and the preliminary request for fiscal years 2021-2023.