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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 5b**

Financial and budgetary matters

Annex 2: Core budget and country contributions for FY 2019-2020 and preliminary request 2020-2022

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 2019-2020 and the preliminary request for the fiscal years of 2020-2022.
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 2018-2019 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.

5. At the time of writing, the Program Officer, Science will terminate her contract on 30 August 2019.
6. A vacancy announcement for a Director, Science was disseminated with notification number 2019/001 on 16 January 2019. Fifty-two applications were received from 13 of the 19 Parties to the IAI, including: Argentina, Bolivia, Brazil, Canada, Chile, Cuba, Ecuador, Mexico, Paraguay, Peru, Uruguay, United States and Venezuela.
7. The IAI Directorate distributed the 52 applications to the Selection Advisory Committee, made a preliminary review of candidates and flagged a total of 9 candidates that met fully the requisites of the vacancy announcement.
8. Of interest is that several applications were received from States not party to the *Agreement*, including Guyana, Ethiopia, India, Italy, United Arab Emirates and Zambia perhaps indicating greater awareness of the work of the IAI at a global level.
9. At the time of writing, a meeting is scheduled for the beginning of May for the Committee to begin the selection process for a final candidate. It is hoped that a selection will be made prior to the CoP-27.
10. A post of Science-Policy was made possible through the generous contribution of the United States. A program officer for Science-Policy joined the IAI Directorate on October 2018.
11. The contract for the consultant for editing services located in Buenos Aires, Argentina, was not renewed.
12. Use of consultancies continues reflecting the need for temporary specialized services and also the need to reduce full time staff costs. In this regard, the consultancy for the provision of technical expertise in the development and implementation of an IAI open data catalog will continue for the intersessional period of 2019-2020. 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 fulfilment of the consultant's fees.
13. At the time of writing, it is expected that the consultancy regarding expertise related to science and science-policy will not be necessary given the hiring of a Director for Science.
14. The IAI Directorate notes the valuable contribution of interns to the completion of many activities and projects during the 2018-2019 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 the organization of CoP-27 (Brasilia, 2019).

Information and communication technologies

15. 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.
16. A re-organization of information on the IAI website is ongoing. Additionally, the website is now under a more secure content management system. A full description of work related to the website is available in document no. IAI/COP/27/22a, *Decision XXVI/43, Enhancement of the IAI website*.

Internal Controls

17. 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.
18. Information on the 2018-2019 Auditors Report is provided in document IAI/COP/27/5/ANNEX/3, *Annex 3: Auditors Report*. The Auditors report was received without qualifications.
19. 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.
20. Unlike the past years, the budget for 2019/2020 does not include the contracting of an additional position to assist with the accounting of the IAI Directorate. Streamlined procedures, adherence to policies and more careful management of resources have resulted in optimization of staff resources and time.
21. 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.
22. Ongoing activities include budget development, strategic planning, as well as management reporting and analysis.

Budget Request for Fiscal Year 2019-2020: Overview

23. The Core budget comparison for 2019/2020 – 2018/2019 is presented in Table I below.

24. The Core budget preliminary request for fiscal years 2020-2022 is presented in Table II below

Core budget comparison

Table I: Budget Comparison 2019/2020 – 2018/2019
Summary by major category

Amounts in US\$	Fiscal Year 2019-2020	Fiscal Year 2018-2019	Difference
Salaries & Benefits	993,062	993,062	-
Travel	86,930	86,930	-
Equipment	9,000	13,198	(4,198)
Operational Costs	238,008	233,810	4,198
Dissemination & Outreach	19,000	19,000	-
Director's Fund	54,000	54,000	-
Total	1,400,000	1,400,000	-

Preliminary request for 2020-2022

Core budget preliminary request for fiscal years 2020-2022

Table II: Budget by Year 2019/2020 - 2020/2021 – 2021/2022
Summary by major category

Amounts in US\$	Fiscal Year 2019-2020	Fiscal Year 2020-2021	Fiscal Year 2021-2022
Salaries & Benefits	993,062	1,040,929	1,041,967
Travel	86,930	91,232	93,940
Equipment	9,000	15,000	6,639
Operational Costs	238,008	272,839	277,454
Dissemination & Outreach	19,000	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

25. Under this category the cost of 6 internationally recruited positions, 1 locally hired staff and one part-time staff in Uruguay are budgeted.
26. Two staff members are provided by the Technical Laboratory of Uruguay in accordance with the host country agreement with the IAI.
27. The current details by employee status are provided in Table III below:

Employees by Type	Quantity
International Staff	6
Locally Hired (IAI)	1
Provided by LATU	2

28. There are no requests for salary increases for the 2019-2020 fiscal year. The IAI Directorate notes that the Conference of the Parties adopted use of the *United Nations Salary scale for the Professional and higher categories*¹. This will necessitate a slight increase of 1.8% as staff move to a different step in the salary scale. This increase has no impact on the Core Budget.

Travel

29. The travel budget for the 2019/2020 fiscal year remains unchanged from 2018-2019. 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.

Operational expenses

30. 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).

¹ See: International Civil Service Commission, Salary Scales, Professional and Higher Categories (<https://icsc.un.org/Home/DataSalaryScales>).

Dissemination and Outreach

31. 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.

Director Special Fund

32. The Director's Special Funds remains unchanged from the previous fiscal year for a total of USD60,000.

Party Contributions to the Core Budget

33. Country contribution under this proposal remains unchanged from 2018-2019.
34. 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.
35. 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.
36. While for fiscal year 2019-2020, 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.
37. The IAI Directorate will work with the Financial and Administrative Committee on possible increases to Party contributions during the 2019-2020 intersessional period and make a recommendation for consideration by the 28th meeting of the Conference of the Parties.

Recommendation

38. 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

XXVI/xx. The Conference of the Parties accepts and approves the Core Budget for fiscal year 2019-2020 and the preliminary request for fiscal years 2020-2022.