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

Thirtieth meeting

Montevideo and Videoconference

14-15 June 2022

Agenda item 5b

Financial and budgetary matters

**Annex 2: Core budget and country contributions for FY 2022-2023 and preliminary
request 2023-2025**

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 2022-2023 and the preliminary request for the fiscal years of 2023-2025.
3. Increases to the Core Budget is not requested under this proposal.

Overview of the IAI Directorate

Posts, consultancies and internships

4. Administration of the IAI Directorate during the intersessional period 2021-2022 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 2021-2022 intersessional period. The IAI Directorate notes the contribution by the Republic of Korea to provide internships for a period of six months. This internship program has contributed greatly to the registration of data in the Database of scientific articles generated by IAI sponsored projects and activities¹ and to the implementation of the Science, Technology, Policy (STeP) Fellowship Program.

Information and communication technologies

7. 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. There has been no increase in costs for these services during the 2021-2022 intersessional period.
8. Several new sections on the IAI website were developed to increase outreach and to better inform the Parties. These new sections include STeP information, a section with information on internships and new sections related to the IAI Transdisciplinary Academy and the IAI-Pages Mobility Fellowships.

Internal Controls

9. 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.
10. Information on the 2021-2020 Auditors Report is provided in document IAI/COP/30/5/ANNEX/3, *Annex 3: Auditors Report*. The Auditors report was received without qualifications.
11. 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.
12. 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.

¹ See : <https://www.iai.int/en/article>

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

Budget Request for Fiscal Year 2023-2022: Overview

14. The Core budget comparison for 2022/2023 – 2021/2022 is presented in Table I below.

15. The Core budget preliminary request for fiscal years 2023-2025 is presented in Table II below

Core budget comparison

**Table I: Budget Comparison 2022/2023 – 2021/2022
Summary by major category**

Amounts in US\$	Fiscal Year 2022-2023	Fiscal Year 2021-2022	Difference
Salaries & Benefits	1,012,398	993,062	19,336
Travel	74,480	54,142	20,338
Equipment	6,000	9,000	(3,000)
Operational Costs	234,122	236,034	(1,912)
Dissemination & Outreach	19,000	53,762	(34,762)
Director's Fund	54,000	54,000	-
Total	1,400,000	1,400,000	(0)

Preliminary request for 2022-2025

Core budget preliminary request for fiscal years 2022-2025

**Table II: Budget by Year 2022/2023 - 2023/2024 – 2024/2025 Summary
by major category**

Amounts in US\$	Fiscal Year 2022-2023	Fiscal Year 2023-2024	Fiscal Year 2024-2025
Salaries & Benefits	1,012,398	1,059,466	1,166,278
Travel	74,480	78,159	80,477
Equipment	6,000	6,000	6,000
Operational Costs	234,122	300,201	291,802
Dissemination & Outreach	19,000	32,500	32,500
Director's Fund	54,000	60,000	60,000
Total	1,400,000	1,536,326	1,637,057

Salaries and Benefits

16. Under this category the cost of 3 internationally recruited positions, 2 locally hired staff and one part-time staff in Uruguay are budgeted.
17. Two staff members are provided by the Technical Laboratory of Uruguay in accordance with the host country agreement with the IAI.
18. The current details by employee status are provided in Table III below:

Employees by Type	Quantity
International Staff	3
Locally Hired (IAI)	2
Provided by LATU	2

Travel

19. The travel budget for the 2022/2023 includes attendance to the Executive Council and Conference of the Parties meetings for the Executive Director, Directors, and two Assistants; it also includes attendance by IAI staff at the SAC and SPAC Meetings and other travel based on previous years.
20. The IAI Directorate notes that by 2022-2023 travel may be returning to normal with physical meetings.

Operational costs

21. This budget category mainly includes support for the following: staff training, professional services (external audits, legal advice, IT services, translations, accounting services, office supplies and communications costs, as well as support for meetings of the Scientific Advisory Committee - SAC and the Advisory Committee on Science and Policy - SPAC).

Dissemination and Outreach

22. The costs of the IAI extension activities have decreased compared to last year as the Directorate completed the development of the Database of scientific articles generated by IAI sponsored projects and activities and new sections of the website.

Director Special Fund

23. 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

24. Country contribution under this proposal remains unchanged from 2021-2022. The IAI Directorate is sensitive to the economic challenges faced by Parties owing to COVID-19 and to the slow recovery of the economy.
25. However, it is noted that, excepting Parties which adhered to Decision XXII/10, the number of contributions remains unchanged for most Parties since the entry into force of the *Agreement* in 1992.
26. 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.
27. While for fiscal year 2022-2023, 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

28. 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 2022-2023 and the preliminary request for fiscal years 2023-2025.