**DRAFT BUDGET PROPOSAL FOR 2019-2021**

**Introduction**

In accordance with Article VI, paragraph 8c of the Agreement, the budget and any other matters relating to financial arrangements for the Agreement shall be adopted at each ordinary session of the Meeting of the Parties.

Through Resolution 6.18, the Agreement Secretariat has been instructed **to develop a series of budget scenarios** for further consideration by Parties at the 7th Session of the Meeting of the Parties and **describe any differences between the UN Scale of Assessments and the scale used to determine contributions** to AEWA.

Budget scenarios:

Using the 2016-2018 budget adopted by MOP6 and the financial report 2016-2018 as a basis, the present proposal includes five different scenarios for the 2019-2021 budget, as summarized below:

|  |  |  |
| --- | --- | --- |
| **Budget Scenario** | **Description** | **Increase variables in relation to zero nominal growth** |
| Scenario 1 | Zero nominal growth | 0 % increase |
| Scenario 2 | Zero real growth with increase of 4.04%/ Scenario 1 | + 2% per year as per estimated inflation rate |
| Scenario 3 | Increase of 4.99 %/ Scenario 2 | + 2% per year inflation rate estimate (zero real growth)  + 30 % Information Assistant (G-5)  + 30% Programme Management Assistant (G-5)  + 5% operating costs |
| Scenario 4 | Increase of 3.76%/ Scenario 3 | + 2% per year inflation rate estimate (zero real growth)  + 30 % Information Assistant (G-5)  + 50% African Initiative Coordinator (P-2)  + 5% operating costs |
| Scenario 5 | Increase of 5.29%/ Scenario 4 | + 2% per year inflation rate estimate (zero real growth)  + 30 % Information Assistant (G-5)  + 30% Programme Management Assistant (G-5)  + 50% African Initiative Coordinator (P-2)  + Upgrade Executive Secretary (P-4 to P-5)  + Upgrade Head of Science, Implementation and Compliance Unit (P-3 to P-4)  + Upgrade Executive Management Support Officer (P-2 to P-3)  + 5% operating costs |

Details on and the rationale for each scenario are provided in the relevant sections of this document (Part A and Annex 1).

Scale of contributions:

The recommendations of the Standing Committee at its 12th Meeting in January 2017, in connection with the scale of contributions were as follows:

* To keep the minimum contribution at 2,000 EUR;
* To fix the EU contribution at the original 2.5 %;
* To retain the maximum threshold at 20 %;
* To return to the UN scale of assessments while implementing a gradual transitional period consisting of the MOP cycles (six years);
* To direct contributions from new Parties into the AEWA Trust Fund.

On the basis of these recommendations, the Secretariat has prepared a proposal of a scale of contributions to be applied in 2019-2021. Details on the rationale behind the proposed scale of contributions are provided in the relevant sections of this document (Part B and Annex 2).

**Actions Requested from the Standing Committee**

The Standing Committee is requested to:

1. Comment and advise the Secretariat on the five scenarios provided for the budget proposal 2019-2021;
2. Comment and advise the Secretariat on the three scenarios provided for the scale of contributions; and
3. Review the draft Resolution StC13.DR.12 *Financial and Administrative Matters* and decide on its submission to MOP7.
4. **Draft budget scenarios for the 2019-2021 triennium**
5. **Key elements and considerations for the draft budget scenarios 2019-2021**

General introduction

The AEWA core budget has not been increased since MOP4 in 2008. The budgets adopted by MOP4, MOP5 and MOP6 were sufficient to cover, almost exclusively, the costs related to the basic operation of the Agreement. This includes, in particular, the salaries of most of the fixed-term positions and the operating costs for the Secretariat, as well as part of the costs associated with the logistical organization of the meetings of the Agreement’s bodies (Meeting of the Parties, Standing Committee and Technical Committee).

In order to be able to operate with a zero nominal growth budget for ten consecutive years, the Secretariat had to cover the costs for 2.5 P-2 staff[[1]](#footnote-1) and 1.85 G-5 staff[[2]](#footnote-2) positions from other sources, fundraise for the regular meetings of the bodies of the Agreement and reduce its operating costs to a minimum.

Costs linked to substantial meeting deliveries such as document production, interpretation and report-writing were removed during the course of the last three MOPs, as well as all programmatic budget lines that were included in the past e.g. for the AEWA Small Grants Fund, implementation of the Plan of Action for Africa, or Capacity Building workshops. In addition, to ensure the continuation of all Secretariat operations the budget had to be complemented with lump sums of 140,000 EUR, 370,000 EUR and 310,000 EUR from the trust fund reserve at MOP4, MOP5 and MOP6 respectively to compensate for the zero increase of all Parties’ contributions.

Finally, additional withdrawals from the reserve were made with the approval of the Standing Committee throughout the triennium to cover urgent needs, e.g. the production of the 7th edition of the Conservation Status Report. Yet the current core budget does not contain sufficient funds for some of the basic operating costs. Maintaining the core budget at the same level for another consecutive triennium translates to an actual reduction and would result in a further deficit of resources for the basic functioning of the Secretariat. This will put the Secretariat in a difficult financial and operational situation and finally impact the continued delivery of services.

Format and itemization

The scenarios included in the proposal follow the same format and itemization of the 2016-2018 budget approved by MOP6 in Resolution 6.18 with the following slight amendments, which will allow to simplify the day-to-day budget operations:

* Summarization of P-staff and G-staff costs into one budget line each (1107 and 1305 respectively);
* Summarization of translation costs in one budget line (1201)[[3]](#footnote-3); and
* Summarization of all operation/maintenance costs in one budget line (5101).

Standard salary costs

In order to increase coherence within the CMS Family, the Secretariat has used the CMS standard salary costs that were introduced by the CMS Administrative and Funds Management Officer in 2017 and adopted through [CMS Resolution 12.2](https://www.cms.int/sites/default/files/document/cms_cop12_res.12.2_financial-and-administrative_matters_e.pdf) at COP12 in October 2017 (in EUR).

The standard costs are based on the average real costs at each salary level at the Bonn duty station, with annual 2% increments to account for the impact of inflation on statutory staff costs, such as, post adjustment and other entitlements or standard within-grade step increments and revisions. These cost increases result from the United Nations system-wide standards, directives and calculations that are promulgated through the International Civil Service Commission (ICSC) and, as such, are non-discretionary.

*Overview of CMS Family standard costs for staff positions*

**Level 2019 2020 2021**

P-4 159,045 162,225 165,470

P-3 133,308 135,974 138,694

P-2 108,775 110,950 113,169

G-5 69,468 70,857 72,275

[all costs in EUR]

All five budget scenarios presented in this document reflect these standard costs, which will be applied for the salaries of regular staff as well as staff dependent on voluntary contributions. The use of the CMS Family standard costs results in slightly lower staff costs in relation to the 2016-2018 core budget: the increase between the year 2018 under the running budget and the year 2019 in the draft scenarios being only 0,5 % instead of the usual increment of 2 %.

Staff composition of the Secretariat

In the period 2016-2018 the Secretariat consisted of regular staff members, whose salaries are covered by the core budget, and staff members whose salaries are covered by voluntary contributions. To address the shortage of general support staff within the Secretariat, and to be able to cope with the overall increasing work load, three of the four regular G-staff members have been requested to work on increased post occupancy, which was financed through voluntary contributions. In addition, the African Initiative Coordinator has been working full-time thanks to supplementary funding from different donors.

**Regular staff positions (as at May 2018) Increase of post occupancy (as at May 2018)**

1 Executive Secretary (P-4)

1 Head Science, Implementation & Compliance Unit (P-3)

1 Information Officer (P-2)

1 Executive Management Support Officer (P-2)

0,5 African Initiative Coordinator (P-2) + 0.5 African Initiative Coordinator (P-2)

1 Administrative Assistant (G-5)

0,75 Programme Management Assistant (G-5)[[4]](#footnote-4) + 0.25 Programme Management Assistant (G-5)

0,5 Information Assistant (G-5) + 0.3 Information Assistant (G-5)

0,5 Programme Management Assistant (G-5)[[5]](#footnote-5) + 0.3 Programme Management Assistant (G-5)

The Secretariat also partly benefits from a common service, the Administrative and Fund Management Unit (AFMU), servicing the CMS Family and funded by the UNEP Programme Support Costs (13 % UNEP overhead costs).

The present proposal aims at maintaining all nine core-budget funded staff positions for the next triennium under all five scenarios.

Increase of the position of Programme Management Assistant of the Science, Implementation and Compliance Unit

Since the shift to the Umoja administrative system, it is no longer possible to hold a post at 75% under the UN staff rules and regulations. These foresee part-time work at 50% or 80% only. The post of the Programme Management Assistant within the Science, Implementation and Compliance Unit has therefore been increased from 75 % to 80 % in all scenarios to be in line with UN staff rules and regulations.

**Position Increase Cost in 2019 2020 2021**

P.M. Assistant 5% 3,473 3,543 3,614

Increase of the positions of Information Assistant, Programme Management Assistant of the African Initiative and African Initiative Coordinator

In order to maintain its current capacity, the Secretariat considers it essential to be able to keep the positions of Information Assistant, Programme Management Assistant (African Initiative) and African Initiative Coordinator at the current level of post occupancy (i.e. 80% for both G-posts and 100% for the P-post).

These positions all deliver on key aspects of the Secretariat’s work programme, directly related to the mandate given to the Secretariat by the Agreement and the MOP. A discontinuity of voluntary contributions to support these positions, would however, jeopardize the continuity of this essential support as it becomes increasingly difficult to successfully fundraise for staff positions. This affects the Secretariat’s (and staff members’) operation, planning security and overall reliability.

It should also be noted that linking positions to different and/or changing sources of funding creates a tremendous administrative effort, thus resulting in loss of precious staff time at different levels. Catering for these positions in the core-budget as proposed will also free up valuable fundraising efforts for activities addressing the implementation of the Agreement directly. Scenarios 3 and 4 therefore aim at consolidating the post occupancy of the positions of the Information and Programme Management Assistants (Scenario 3) and/or African Initiative Coordinator (Scenario 4). Scenario 5, *inter alia*, provides a solution to maintaining all three positions at their current level of delivery.

**Position Increase Cost in 2019 2020 2021**

Information Assistant 30% 20,840 21,257 21,682

P.M. Assistant AI 30% 20,840 21,257 21,682

AI Coordinator 50% 54,387 55,475 56,585

Upgrade of P-posts

Following up from [Resolution 6.18](http://www.unep-aewa.org/sites/default/files/document/aewa_mop6_res18_financial_admin_en_new%20bank%20details.pdf), all three existing G-4 positions were reclassified to G-5 in 2017. All professional posts within the Secretariat, however, still cover functions and responsibilities well beyond those foreseen for the level of the posts. This was confirmed by the reclassification assessment undertaken by the UNEP/CMS Secretariat in October 2016, which was extended to the UNEP/AEWA Secretariat through a mandate of the AEWA Standing Committee (provided to the AEWA Standing Committee by correspondence of 29 September 2016). The assessment and report were prepared and delivered by an independent consultant recommending all P positions within the UNEP/AEWA Secretariat to be upgraded in order to meet UN staff rules and regulations. The report will be used to provide the 7th Session of the Meeting of the Parties (MOP7) to AEWA with a valid independent assessment of all Secretariat posts, notably in the framework of the working group on financial and administrative matters.

The Consultant reviewed all positions except the three above-mentioned G-4 posts, as well as the post of the Executive Secretary, which was already classified by UNON at P-5 level in 2012, but maintained at P-4 level by MOP5 due to financial constraints.

To follow the recommendations of the reclassification assessment, the Secretariat has elaborated a proposal which includes an upgrade of three regular P positions (Scenario 5). The upgrade of the position of the Information Officer from P-2 to P-3 level will be discussed with the UNEP/CMS Secretariat, in the framework of the Common Information Services Unit (IMCA).

The Secretariat is aware that the upgrade of all P-staff members results in a high increase to the budget. It has therefore decided to propose the post of the African Initiative Coordinator for upgrade at MOP8 only, as this position is already proposed to be increased from a 50% to a 100% position under Scenarios 4 and 5 of the present document. However, it should be well noted that the level of this position compared with its functions and responsibilities is also in conflict with UN staff rules and regulations and will need to be upgraded as soon as possible.

Staff funded through voluntary contributions (as at May 2018)

1 Associate Programme Officer for Single Species Action Plan Support (P-2)

1 Associate Programme Officer for the European Goose Management Platform (P-2)

1 Programme Management Assistant for the European Goose Management Platform (G-5)

The costs of these additional staff members, who have been on board during the period 2016-2018, have been fully covered through voluntary contributions from the Governments of Norway, Finland, Denmark and France. The contribution of these staff members to the work of the Secretariat has been significant in their specific area of responsibility but also in cross-cutting activities such as recruitment of new Parties, outreach, inter-agency liaison and fundraising.

Thanks to the generous support of the Government of Norway, the position of Associate Programme Officer for Single Species Action Plan Support has been secured until February 2020 and it would be highly appreciated if this support could be continued until at least the end of 2021. Moreover, negotiations with different range states of the European Goose Management Platform (EGMP) are taking place to be able to maintain the positions of Associate Programme Officer and Programme Management Assistant for the EGMP beyond 2018 on the basis of voluntary contributions.

The Secretariat would like to seize the opportunity to express its gratitude to the Governments of Norway, Finland, Denmark and France for the above-mentioned generous donations.

1. **Scenarios 1 to 5**

For the different scenarios described below, the budget has been divided into the following categories (similar to the previous budget for the period of 2016-2018 adopted through Resolution 6.18):

* General Management
* Implementation of the African Initiative
* Servicing the Meeting of Parties
* Servicing the Technical Committee
* Servicing the Standing Committee
* Programme Support Costs (13% UNEP overhead costs)

Further details for each scenario are provided in **Annex 1**.

**Scenario 1**: **Zero nominal growth** – **0 % increase**

Under Scenario 1, no increase of the total budget is foreseen compared to the overall budget approved for the triennium 2016-2018. The CMS standard salary costs have been applied, including the 2% annual increment to account for the impact of inflation on statutory staff costs (these standard salary costs are maintained throughout all scenarios). In terms of Secretariat staff, this option provides for maintaining all nine regular posts funded by the core budget. The post of Programme Management Assistant (Science, Implementation & Compliance Unit) has been slightly increased from 75% to 80% in order to be in line with UN staff rules and regulations.

However, it is worth noting that the effect of the zero-nominal growth actually implies a real reduction, in terms of the staffing, operation and functioning of the Secretariat. For example, four staff members have worked above the percentages covered by the core budget for their position over the period of 2016-2018 and beyond, in order to maintain the basic functioning of the Secretariat based on the MOP mandates. As such, this scenario will, actually lead to a decrease in terms of manpower due to the increased uncertainty of possible supplementary funds during the period of 2019-2021.

Furthermore, the budget for the organization of MOP8 has been further decreased compared to that allocated in the 2016-2018 budget for the organization of MOP7. The budgets for translations and for the organization of the meetings of the Technical and Standing Committee meetings are also very limited and will need to be complemented with voluntary funding. The costs related to the maintenance and hosting of websites are not covered by this budget, and other operative costs are reduced to a minimum and will allow the Secretariat to maintain very basic services only.

**Scenario 2**: **Zero real growth** – + **4.04% / Scenario 1**

|  |
| --- |
| Zero nominal growth |
| + 2 %/ year as per estimated inflation rate |

This scenario aims at covering the loss of purchasing power due to inflation, what has not been done for the last 10 years. Estimated at 2% per year, this leads to an increase of 4.04 % in total compared to Scenario 1. It can be regarded as the zero real growth scenario. Scenario 2 includes all elements already included in Scenario 1. In addition, the present option provides a higher budget for translations and for the IT service provider to meet the real costs of these items; an increased budget for interpretation and the organization of MOP8; and a general increase of 2 % per year on all remaining operative budget lines to cover the inflation costs.

**Scenario 3**: + 4**.99% / Scenario 2**

|  |
| --- |
| Zero real growth |
| + 30 % Information Assistant (G-5) |
| + 30% Programme Management Assistant (G-5) |
| + 5% operative costs |

Scenario 3 foresees an increase of 4.99 % compared to Scenario 2. It includes all elements of Scenario 2. In addition, it suggests increasing the posts of the Information Assistant and Programme Management Assistant (African Initiative) from 50% to 80% respectively. Both posts have been occupied on 80 % (partly 100 %) basis for the past nine (Information Assistant)/ three (Programme Management Assistant AI) years to be able to cope with the daily workload the Secretariat has been facing. Finally, this scenario contains an additional 5% increase on all operational budget lines.

The rationale behind this scenario is to generally strengthen the overall functioning of the Secretariat operations through an overall slight increase of all operative costs. Furthermore, it aims at consolidating the Secretariat’s team structure and especially its African unit through reliably available/guaranteed administrative as well as information and outreach support.

This scenario will provide the Secretariat and the African Coordinator with planning security in terms of general support and particularly allow the African Coordinator to focus on the core programmatic work. It will still leave a funding gap for 50 % of the African Coordinator post, which is not recommended as such. However, it provides a chance to significantly improve the overall situation of the Secretariat and African unit with only relatively small budgetary adjustments.

**Scenario 4**: + **3.76% / Scenario 3**

|  |
| --- |
| Zero real growth |
| + 30 % Information Assistant (G-5) |
| + 50% Coordinator of African Initiative (P-2) |
| + 5% operative costs |

Scenario 4 foresees an increase of 3.76% compared to Scenario 3. It contains all elements described under Scenario 3, but suggests an increase of the post of African Initiative Coordinator from 50% to 100% instead of increasing the post of the Programme Management Assistant (AI) from 50% to 80%.

The rationale behind this scenario is to put a strong emphasis on the programmatic work of the African Unit by securing the full position of the Coordinator. Compared to Scenario 3 this scenario would significantly reduce the funding gap for the African unit leaving only a 30 % G-5 position to be covered by external funds, which is easier to manage.

Fundraising efforts within the African Unit could focus on implementation activities and the overall delivery of this unit would have potential to increase. The Secretariat, including the African Unit could rely on the usual support through the Information Assistant without having to find new solutions to fill the funding gap on a yearly basis.

**Scenario 5: + 5.29% / Scenario 4**

|  |
| --- |
| Zero real growth |
| + 30 % Information Assistant (G-5) |
| + 30% Programme Management Assistant (G-5) |
| + 50% Coordinator of African Initiative (P-2) |
| + Upgrade Executive Secretary (P-4 to P-5) |
| + Upgrade Technical Officer (P-3 to P-4) |
| + Upgrade Associate Programme Officer (P-2 to P-3) |
| + 5% operative costs |

Scenario 5 foresees an increase of 5.29% compared to Scenario 4. This scenario contains all elements of the previous scenarios. In addition, it contains upgrades of three P-posts as of 2021, in accordance with the conclusions of the assessment of Secretariat posts undertaken in 2016. The Secretariat would like to highlight that upgrading all P staff positions is a requirement under the UN staff rules and regulations. The upgrade of the missing position of African Initiative Coordinator will be proposed at MOP8.

1. **Scale of contributions for 2019-2021**

General introduction

The UN scale of assessment was applied to calculate AEWA contributions at MOP 1, MOP2 and MOP3. Since MOP4 (2008), however, the apportioning of annual contributions to the AEWA core budget has not strictly followed the UN scale of assessments. The contributions to the remaining budget - after deduction of the minimum contributions and the amount to be withdrawn from the reserve – were negotiated among the Parties.

The strict application of the UN scale of assessment would create considerable increases in case of a number of Parties, even if the budget was maintained at a zero nominal growth level. Other countries, however, would benefit from the application of the UN scale of assessments, although they might be willing to, at least, maintain the current level of financial commitment. The Secretariat would like to point out that it will be crucial for the further functioning of the Agreement to choose a scale which will have no negative impact on the total budget to be shared by Parties.

Method applied to develop the scale of contributions for 2019-2021

In accordance with the decisions taken at StC12, the Secretariat has developed a scale of contribution which returns to the UN scale of assessments, as primarily foreseen by the Agreement, but with a gradual transitional period consisting of two MOP cycles (six years). At the same time, the calculations take into account the maximum threshold of 20 % as well as the application of a minimum contribution of EUR 2,000. Thus, the proposed scale represents a modified version of the UN scale of assessment with integration of the above-mentioned criteria.

**Annex 2** provides a table showing the contributions calculated on basis of the same amount shared between Parties at MOP6 and without the planned gradual increase or decrease over a period of six years, but taking into account the minimum contribution and maximum threshold (Table 1). This table shows the difference the application of the UN scale of assessments (modified version) will make for each country compared to MOP6. It is obvious that while some Parties experience a high increase, other Parties would see their contributions decrease, which is why a transitional period was proposed.

Tables 2 – 6 apply the calculations made in Table 1 to the five different scenarios, but applying a transitional period, through which the Parties experiencing an increase, will see their contributions increase gradually year per year, while those Parties benefitting from the UN scale of assessment will experience the gradual decrease of their contributions.

It is hoped that this method will allow all countries to adapt equally to the new scale. It should be well noted that due to the transitional period of six years, this method will need to be continued at MOP8 to fully reach the objective. Thus, the present proposal reflects a 50 % move towards the scale of assessment (three of six years in total). Continued at MOP8 in 2021, the new scale will be introduced without transitional measures at MOP9 in 2025.

**Annex 1: Budget scenarios 2019-2021**

**Scenario 1**: **Zero nominal growth** – **0 % increase**



**Scenario 2**: **Zero real growth** – + **4.04%/ Scenario 1**



**Scenario 3**: + 4.99**%/Scenario 2**



**Scenario 4**: + **3.76% increase/Scenario 3**



**Scenario 5: + 5.29%/Scenario 4**



**Annex 2: Scale of assessment to be applied for 2019-2021**

**Table 1: Contributions without transitional period**





**Table 2: Contributions Scenario 1**



 

**Table 3: Contributions Scenario 2**





**Table 4: Contributions Scenario 3**





**Table 5: Contributions Scenario 4**





**Table 6: Contributions Scenario 5**



 

1. 1 Associate Porgramme Officer for Single Species Action Plans

   1 Coordinator for the European Goose Management Platform

   0.5 African Initiative Coordinator [↑](#footnote-ref-1)
2. 1 Programme Management Assistant for the European Goose Management Platform

   0.3 Information Assistant

   0.3 Programme Management Assistant for the African Initiative

   0.25 Programme Management Assistant for the Science, Implementation and Compliance Unit [↑](#footnote-ref-2)
3. The 2016-2018 budget contains four different translation budget lines related to different meetings. [↑](#footnote-ref-3)
4. Science, Implementation and Compliance Unit. [↑](#footnote-ref-4)
5. African Initiative. [↑](#footnote-ref-5)