



## Convention on Biological Diversity

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CONFERENCE OF THE PARTIES TO THE CONVENTION ON  
BIOLOGICAL DIVERSITY SERVING AS THE MEETING OF  
THE PARTIES TO THE NAGOYA PROTOCOL ON ACCESS  
TO GENETIC RESOURCES AND THE FAIR AND  
EQUITABLE SHARING OF BENEFITS ARISING FROM  
THEIR UTILIZATION

Second meeting

Cancun, Mexico, 4-17 December 2016

Item 9 of the provisional agenda\*

### REPORT OF THE EXECUTIVE SECRETARY ON THE ADMINISTRATION OF THE PROTOCOL AND ON BUDGETARY MATTERS

*Note by the Executive Secretary*

#### INTRODUCTION

##### Background

1. At its first meeting, the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (COP/MOP 1) adopted a programme budget for the biennium 2015-2016.
2. The present document highlights the financial and administrative performance of the Nagoya Protocol since the last meeting of the Conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (COP/MOP1). The present document is to be read in conjunction with the documents on the proposed consolidated budget for the programme of work of the Convention, the Cartagena Protocol on Biosafety and the Nagoya Protocol for the biennium 2017-2018 (UNEP/CBD/COP/13/23 and Add.1) and the reports of the Executive Secretary on the administration of the Convention and the Cartagena Protocol for the biennium 2015-2016 (UNEP/CBD/COP/13/7 and UNEP/CBD/COP-MOP/8/7) as well as the report on the functional review of the Secretariat (UNEP/CBD/COP/13/7/Add.2).
3. As of 30 September 2016, 86 Parties had acceded to or ratified the Nagoya Protocol. The list of these Parties is available on the website of the Secretariat. It is updated each time the Secretariat is notified by the Depositary of a new instrument of ratification/accession that has been deposited with it.
4. The document is divided into four sections, as follows:
  - (a) Sections I reports on income and budget performance in 2015 for the two Trust Funds of the Protocol namely the General Trust Fund for the Core Programme Budget for the Nagoya Protocol (BB Trust Fund), and the Special Voluntary Trust Fund for Additional Voluntary Contributions in support of Approved Activities of the Nagoya Protocol (BX Trust Fund); Section II reports on commitments made for the year 2016 to the BB Trust Fund and the BX Trust Fund;

\* UNEP/CBD/NP/COP-MOP/2/1/Rev.1.

(b) Section III addresses personnel and administrative matters. It reports on the progress made in classifying, advertising and filling the posts approved under the Protocol;

(c) Section IV reports on the indicators of achievement over the biennium 2015-2016.

5. The following information can be found in document UNEP/CBD/NP/COP MOP/2/INF/8:

- (a) Status of contributions to the BB and BX Trust Funds as at 31 December 2015;
- (b) Scales of contributions for 2015-2016 as at 30 September 2016;
- (c) Audited financial statements of the BB and BX Trust Funds as at 31 December 2015;
- (d) Indicators of achievement and performance for the programme budget;
- (e) Details of on-line forums and real-time conferences held in the intersessional period.

## **I. INCOME AND BUDGET PERFORMANCE IN 2015**

### **Background**

6. The United Nations Secretariat has introduced an administrative reform initiative (Umoja) designed to integrate and streamline business processes that manage financial, human and physical resources. This administrative initiative is driven by the implementation of an Enterprise Resource Planning system and was rolled out to the UN Environment on 1 June 2015. The deployment of Umoja was a major and complex process which required a significant volume of work and resources. The Umoja “go-live” phase began in April 2015, when UN Environment began ramping down its activities in order to ensure a smooth migration from the previous system, the Integrated Management Information System (IMIS), to Umoja. Operations resumed gradually in early June after a blackout period of three weeks during which time no information management systems were available. As a result of this, the Secretariat of the Convention on Biological Diversity operated at a very limited capacity for a period of four months (May-September 2015), which occasioned delays in the implementation of its programme of work.

7. A further consequence of the move to Umoja was that a certain number of administrative and financial functions were centralized in Nairobi, significantly impairing the Secretariat’s administrative autonomy. One example of the change is that the Secretariat can now only use its bank account in Montreal to disburse daily subsistence allowance (DSA). Payments to vendors, consultants and implementing partners are henceforth processed from Nairobi, which led to significant delays in payments and consequent loss of trust and goodwill with some vendors.

8. Another consequence of the change is that the acquisition process of goods and services became lengthier due to the centralization of the approval authority as well as the introduction of additional processes in the procurement function. The Secretariat encountered difficulties in purchasing goods and services from local vendors because of lengthy procedures required from vendors to register in the United Nations central vendor database (UNGM) in order to do business with the United Nations. Such bureaucratic requirements have discouraged small and medium-sized companies from expressing an interest in participating in the bidding proposals and therefore prevented the Secretariat from purchasing required services in a timely manner. One example of this is that the Secretariat was only able to make its first purchase of office supplies since going live in Umoja in June 2015, during September 2016.

9. Umoja has the ability to produce various types of reports that can be used to support decision-making and to report to donors. However, the Enterprise Resource Planning system is still to deliver its full scope and functionality. The Secretariat encountered difficulties in reconciling the various financial reports generated from Umoja with the financial statements produced by UN Environment for 2015.

10. In an Executive Brief on Reports to donors issued on 19 May 2016, the United Nations Controller stated that the challenges faced by the Organization in producing consolidated financial reports for the 2015 fiscal year were due to the fact that expenditure and income in 2015 were recorded in both the legacy systems and Umoja. The data structures, coding, and chart of accounts in IMIS and Umoja are different. This problem is expected to be solved gradually over time.

11. Overall, Umoja stabilization is still in process and, though steady progress has been achieved, there are yet a number of teething problems that prevent the Secretariat from fully functioning at the pre-Umoja operational level.

**A. General Trust Fund for the Nagoya Protocol (Core budget or BB Trust Fund)**

*1. Income and budget performance in 2015*

*(a) Budget for 2015*

12. In decision NP-I/13, the Conference of the Parties approved a core programme budget of \$290,184 for the year 2015 for the Nagoya Protocol and payable by the Parties.

13. The actual pledges to the Protocol in 2015 amounted to \$292,972 as a result of the addition of new Parties to the Protocol in 2015.

*(b) Contributions for 2015*

14. As at 31 December 2015, contributions received for 2015 to the core budget of the Protocol (BB Trust Fund) amounted to \$244,096. Therefore, the assessed contributions paid with respect to 2015 as at 31 December 2015 amounted to 84 per cent of the total core budget approved for the year by the Conference of the Parties serving as the meeting of the Parties to the Protocol at its first meeting. This amount represents contributions paid in full or in part by 21 Parties (or 32 per cent of the total number of 66 Parties to the Protocol as at 31 December 2015).

*(c) Expenditures in 2015*

15. Expenditures in 2015 (including programme support costs), as at 31 December 2015, totalled \$54,322. This amount is equivalent to approximately 19 per cent of the total amount approved for the BB Trust Fund activities in 2015 as per decision NP-I/13. The low expenditure is largely due to the vacant P-3 post for capacity-building, which could not be filled in 2015. The recruitment process took longer than usual owing to the introduction of Umoja and its impact on the Secretariat's operating capacity. However, the integrated approach adopted by the Secretariat following the functional review and the hiring of temporary assistance to support the work on the Nagoya Protocol allowed the Unit to make progress on the implementation of the activities during the biennium 2015-2016. Two COP Bureau meetings were held in 2015, including alternate members of the Nagoya Protocol as appropriate to fulfil the functions as the COP-MOP Bureau. The total expenses were charged to the COP Bureau as there were no distinct costs, thus leaving unspent the budget under the Protocol.

16. The 2015 expenditure of \$54,322 amounts to 22 per cent of the total contributions received for 2015 (\$244,096) for the year as at 31 December 2015. The breakdown of expenditures recorded by object of expenditure for 2015 is shown in table 2 below.

**Table 1. BB Trust Fund expenditures in 2015 by object of expenditure**  
(Thousands of United States dollars)

<i>Object of expenditure</i>	<i>Approved budget</i>	<i>Commitments/ expenditure</i>	<i>Percentage of budget approved by COP/MOP</i>
Staff costs	171.8	26.3	15
Bureau meetings	35.0	0	0
Clearing-House Informal Advisory			
Group Meetings	30.0	17.7	57
ABS Clearing-House Translation Costs	20.0	0	0
Printing/publications	0	4.1	
<b>I. Subtotal</b>	<b>256.8</b>	<b>48.1</b>	<b>19</b>

<i>Object of expenditure</i>	<i>Approved budget</i>	<i>Commitments/ expenditure</i>	<i>Percentage of budget approved by COP/MOP</i>
II. Programme Support Cost (13 per cent)	33.4	6.2	19
<b>TOTAL BUDGET (I + II)</b>	<b>290.2</b>	<b>54.3</b>	<b>19</b>
III. Working Capital Reserve	0.0		0.0
<b>TOTAL BUDGET (II + III)</b>	<b>290.2</b>	<b>54.3</b>	<b>19</b>

## II. PROJECTED INCOME AND BUDGET PERFORMANCE IN 2016

### A. General Trust Fund for the Nagoya Protocol (core budget or BB Trust Fund)

#### 1. Budget for 2016

17. In decision NP-I/13, the Conference of the Parties serving as the meeting of the Parties to the Protocol approved a core programme budget of \$985,512 for the year 2016 for the Nagoya Protocol and payable by the Parties.

#### 2. Contributions for 2016

18. As at 30 September 2016, contributions received for 2016 to the BB Trust Fund amounted to \$615,565 as follows:

Advance payments for 2016 received in 2015	\$907
Contributions for 2016 received in 2016	\$614,658
<b>Total</b>	<b>\$615,565</b>

In addition, \$17,430 was received in 2016 for 2015 contributions and \$20 was received in 2016 for future years.

19. The actual pledges to the Protocol in 2016 amounted to \$1,362,804 as a result of the new Parties to the Protocol in 2016.

#### 3. Commitments in 2016

20. A total amount of \$985,512 has been obligated as commitments for the year 2016. This amount represents 100 per cent of the funds approved by the Conference of the Parties for the year 2016. Expenditures totalling \$648,795 were incurred in 2016 as at 30 September (see table 2 below). The budget provision for the Compliance Committee was not enough to cover the travel of 14 members of the Committee and 2 representatives from indigenous and local communities, thus the over expenditure of 147 per cent. The expenditures for the meetings of the Informal Advisory Committee meetings were below the approved budget due to last minute cancellations by some of the funded participants. Translation for the ABS Clearing-House website only became feasible after the functionality had been stabilized. A stable version of the ABS Clearing-House website was launched in May 2016. The implementation of the translation support mechanism and the translation of the website content started in October 2016 and will be completed at the end of 2016.

**Table 2. BB Trust Fund expenditures in 2016 by object of expenditure**  
(Thousands of United States dollars)

<i>Object of expenditure</i>	<i>Approved budget</i>	<i>Commitments/ expenditure</i>	<i>Percentage of budget approved by COP/MOP</i>
Staff costs	428.2	170.9	40
Bureau meetings	35.0	15.8	45
Compliance Committee meetings	30.0	44	147
Clearing-House Informal Advisory	30.0	14.5	48

<i>Object of expenditure</i>	<i>Approved budget</i>	<i>Commitments/ expenditure</i>	<i>Percentage of budget approved by COP/MOP</i>
Group meetings			
Second meeting of the Parties (COP-MOP-2)	328.9	328.9	100
ABS Clearing-House Translation Costs	20.0	0	0
<b>Subtotal</b>	<b>872.1</b>	<b>574.2</b>	<b>39</b>
Programme Support Cost (13 per cent)	113.4	74.6	39
<b>TOTAL BUDGET (II + III)</b>	<b>985.5</b>	<b>648.8</b>	<b>39</b>

**B. Special Voluntary Trust Fund for additional voluntary contributions in support of approved activities of the Nagoya Protocol on Access and Benefit-sharing (BX Trust Fund)**

21. A total of \$2,114,800 was approved under the BX Trust Fund by the first meeting of the Conference of the Parties serving as the meeting of the Parties to the Protocol for 2015-2016. As at 30 September 2016, the Secretariat had received pledges for additional approved activities totalling \$623,262. Collections of \$480,247 were recorded in 2015-2016 as contributions for pledges made for this period and representing a collection rate of 77 per cent. An additional amount of \$1,105,530 was pledged and paid by the Government of Japan under the Japan Biodiversity Fund in the BE Trust Fund.

22. A total of \$1,228,864\* was spent or committed in 2015 and 2016 (as at 30 September 2016) for additional approved activities, including the following major activities:

<i>Activity</i>	<i>Expenditure (United States dollars)</i>	<i>Number of funded participants</i>
Staff costs	344,807	N/A
Capacity-building programme to support the establishment of legal frameworks for the implementation of Nagoya Protocol	660,000	59
Informal Advisory Committee on Capacity-building for the Implementation of the Nagoya Protocol; Montreal, Canada, 15-17 September 2015	39,280	13
Second meeting of the Informal Advisory Committee on Capacity-building for the Implementation of the Nagoya Protocol; Montreal, Canada, 15-17 June 2016	32,527	12
Expert Group Meeting on Article 10 of the Nagoya Protocol on Access and Benefit-sharing; Montreal, Canada, 1-3 February 2016	27,092	12
Capacity-building programme for the ABS Clearing-House (ABS-CH)	26,923	N/A
Facilitating the implementation of the awareness-raising strategy by Parties and relevant actors	28,749	N/A

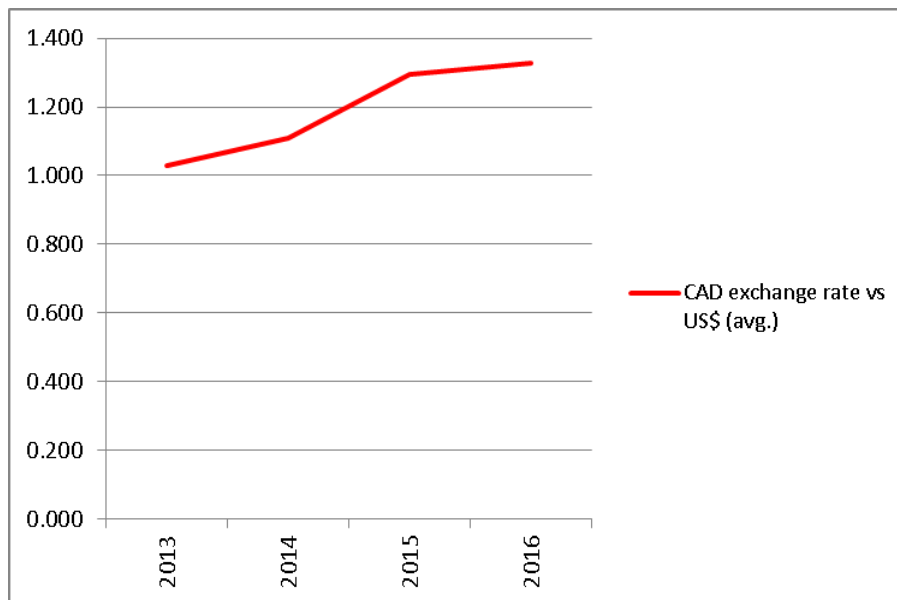
\* Costs of some of these activities are recorded in the BE Trust fund.

**C. Staff costs**

23. Staff costs include salaries and other staff benefits. Given that these costs are based on standard costs used by the United Nations, actual expenditures vary from one duty station to the other depending on fluctuations in post adjustment and other factors, such as the number of dependents, education grant, and repatriation costs. As at 30 September 2016, one P-3 post (capacity-building) was vacant and in the process of being filled. The expenditure for staff costs in 2015-2016 were impacted significantly as a result of the

reduction in the value of the Canadian dollar vis-à-vis the United States dollar over the period 2015-2016, where it lost almost 20 per cent of its value against the average 2014 Canadian dollar value which was used to calculate the 2015-2016 staff costs (see figure 1 below). The actual staff costs for Secretariat staff are therefore less than originally budgeted.

**Figure 1. Average Canadian dollar vs United States dollar exchange rate - 2014-2016**



24. Expenditure for staff costs under the voluntary Trust Fund (BX) of the Nagoya Protocol is reflected in the table above and represents the staff costs for 1 P-3 Programme Officer for the ABS Clearing House during 2015-2016.

#### **D. Travel on official business**

25. Secretariat staff represents the Protocol at various meetings and events, and travel of staff members to events hosted by other organizations is one of the important ways of achieving synergies and integrated work programmes. Travel on official business also includes the travel costs to service the meetings convened by the Secretariat under the Protocol. As at 30 September 2016, the Secretariat staff attended 26 meetings in 2015-2016. These travels were funded from various sources, including the Convention core budget (BY Trust Fund).

26. To reduce travel costs and carbon emissions the Secretariat organized meetings remotely through Skype, videoconference and video (in total 14 webinars were organized) and participated in nine meetings remotely.

#### **E. General operating expenses**

27. General operating expenses include funding for office equipment and supplies, utilities and insurance costs, printing costs, communication costs and the distribution of printed and other materials. These Secretariat expenses were covered by the Convention and the Cartagena Protocol budget on the basis of a ratio of 85:15.

### **III. PERSONNEL**

#### **A. Established posts**

28. At its first meeting, the Conference of the Parties serving as the meeting of the Parties to the Protocol approved, in its decision NP-I/13, three Professional posts under the core budget (BB Trust Fund)

for the biennium 2015-2016. As at 30 September 2016, one (1) Professional post is vacant and under recruitment.

29. Information on the status of staffing in the Secretariat is reported on a biannual basis through the Biannual Report, which is posted on the Secretariat's website, where a detailed breakdown of the status can be found.

**Table 4. Status of staffing under the Nagoya Protocol core budget (BB Trust Fund) (as at 30 September 2016)**

<i>Status of posts</i>	<i>Professional posts</i>
Total number of posts approved by the Conference of the Parties serving as the meeting of the Parties to the Protocol	3
Filled	2

30. With respect to positions funded under the core budget of the Convention, two Professional posts and one General Service post have supported Nagoya Protocol activities during 2015-2016. Additionally, one programme officer on capacity-building supporting the ABS and Traditional Knowledge Unit was shared between the Convention and the Cartagena Protocols on a 50 per cent basis. One General Service post has been vacant and recruitment is in progress.

31. In addition to the staff funded under the core budget of the Nagoya Protocol, one professional post was funded from voluntary sources under the Nagoya Protocol.

## **B. Functional review**

32. In its decision XII/32, paragraph 3, the Conference of the Parties requested the Executive Secretary to complete the functional review of the Secretariat of the Convention on Biological Diversity in consultation with the Executive Director of the United Nations Environment Programme (UNEP). In keeping with the Functional Review of the Secretariat, a new organizational structure was put in place in May 2016 in which the work of the Secretariat was integrated across the Convention and the Cartagena and Nagoya Protocols. A result of this integration is that the work of the Nagoya Protocol is now reflected under the new Scientific and Policy Support Division of the Secretariat in the ABS and Traditional Knowledge Unit.

33. A consequence of the functional review is that four professional posts (P-3 on capacity-building under recruitment, P-2 on ABS-CH, 50 per cent of P-4 on capacity-building and P-3 on ABS) have been integrated in other Units to provide support for the work of the Convention and its two Protocols. Two of these positions were funded by the core budget and two were approved by COP-MOP at its first meeting.

34. Staff working full time on ABS and the Nagoya Protocol under the ABS and Traditional Knowledge Unit include three professional positions (including one funded from voluntary sources) and two General Service staff positions. The new integrated approach will however ensure that staff from other units (e.g. Legal and Intergovernmental Unit, Capacity-building Unit, Communications and Outreach Unit, Biosafety and Biosecurity Unit, Economic Policy and Resource Mobilization Unit, Information Technology Unit) will provide additional support on ABS and the Nagoya Protocol.

35. For the full report of the Executive Secretary on the progress of the functional review, see UNEP/CBD/COP/13/7/Add.2.

#### **IV. INDICATORS OF ACHIEVEMENT AND PERFORMANCE FOR THE PROGRAMME BUDGET**

##### **A. Budget management**

1. Budget allocated versus expenditures for the BB Trust Fund.

Budget allocated for 2015-2016 = \$1,275,696

Budget expenditures for the BB Trust Fund for 2015-2016 (projected) = \$818,000

2. Voluntary budget approved for the additional approved activities versus expenditures.

Voluntary budget approved for 2015-2016 = \$2,114,800

Voluntary funds received for the additional approved activities in 2015-2016 (September 2016) = \$1,585,777

Expenditures incurred for the additional approved activities in 2015-2016 (September 2016) = \$1,160,957

##### **B. Resource mobilization for the additional approved activities of 2015-2016**

1. Funds mobilized for Secretariat led activities

Funds pledged for the 2015-2016 (September 2016) = \$1,728,792

Funds received in 2015-2016 (September 2016) = \$1,585,777

2. Funds mobilized for capacity-building through regional workshops

Funds pledged for capacity-building under the BX Trust Fund for 2015-2016 (September 2016) = \$660,000

##### **C. Capacity-building and outreach**

1. Training activities and workshops for which the Secretariat provides resources

- a. Number of participants 319 (4 workshops and 14 webinars)

- b. Number of Parties involved 24

- c. Level of participant satisfaction: Average 92 per cent - UNEP/CBD/NP/COP-

MOP/2/INF/8.

Detailed information on capacity-building activities can be found in section II-B of document UNEP/CBD/NP/COP-MOP/2/8.

2. Publications distributed

There were a total of 45,377 copies of publications distributed in the 2015-2016 biennium as follows; 23,738 English, 6,650 French, 4,842 Spanish, 4,355 Arabic, 4,381 Russian and 1,411 Chinese

3. Number of website hits

There were a total of 191,477 page views on the site <https://absch.cbd.int> over the period 1 January 2015 - 30 September 2016

4. Number of meetings attended by the Secretariat

The Secretariat staff attended 26 meetings and participated remotely in 9 other meetings over the period 1 January 2015 to 30 September 2016.

##### **D. Other functions of the Secretariat**

1. Percentage of working documents made available to Parties in all working languages within deadlines:



Meeting	English only	All languages
NP-COP-MOP 2	89 per cent	72 per cent

2. Percentage of plenary sessions of the Conference of the Parties for which interpretation services were provided: 100 per cent.

**LIST OF MEETINGS ORGANIZED BY THE SECRETARIAT FOR THE NAGOYA PROTOCOL  
IN 2015-2016 (AS AT 30 SEPTEMBER 2016)**

<i>No.</i>	<i>Date and venue</i>	<i>Meeting / Workshop name</i>	<i>No. of Parties</i>	<i>No. of participants</i>	<i>Level of satisfaction</i>
1	15-17 September 2015 Montreal, Canada	Informal Advisory Committee on Capacity-building for the Implementation of the Nagoya Protocol	13	26	n/a
2	28-30 October 2015 Montreal, Canada	First meeting of the Informal Advisory Committee to the Access and Benefit-sharing Clearing-House	9	9	n/a
3	1-3 February 2016, Montreal, Canada	Expert Group Meeting on Article 10 of the Nagoya Protocol on Access and Benefit-sharing	12	18	n/a
4	6-8 April 2016 Montreal, Canada	First meeting of the Compliance Committee under the Nagoya Protocol on Access and Benefit-sharing	14 <sup>1</sup>	19	n/a
5	15-17 June 2016, Montreal, Canada	Second meeting of the Informal Advisory Committee on Capacity-building for the Implementation of the Nagoya Protocol	13	31	n/a
6	20-22 June 2016 Montreal, Canada	Second meeting of the Informal Advisory Committee to the Access and Benefit-sharing Clearing-House	11	11	n/a

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<sup>1</sup> This number reflects members of the Committee elected by the Conference of the Parties serving as the meeting of the Parties who participated in the meeting.