



**CONVENTION ON  
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**PROPOSED BUDGET OF THE TRUST FUND  
FOR THE CONVENTION ON BIOLOGICAL DIVERSITY**

Note by the Secretariat

**I. INTRODUCTION**

1. Rule 7 of the Financial Rules requires the Executive Secretary of the Secretariat to the Convention on Biological Diversity to present a budget proposal covering the expenditure and income from contributions for periods of two calendar years at a minimum. Accordingly, the Secretariat has prepared a budget for 1996 and 1997 contained in annex I of this note. The expected income for contributions over the same period is contained in annex II of this note.
2. At its first meeting the Conference of the Parties adopted a medium-term programme of work for 1995-1997 (MTPW). The proposed budget for 1995 was formulated prior to the adoption of the MTPW. Effective implementation of the programme, however, requires its correlation with the human and financial resources provided in the budget. The proposed budget for 1996 and 1997 presents the first opportunity to assess the budgetary implications of the work programme of the Conference of the Parties and reflect them in concrete terms for consideration by the Conference of the Parties. It must be recognized that the proposed budget will have to be adjusted to reflect all decisions taken by the Conference of the Parties that have financial implications, including, *inter alia*, decisions regarding how to proceed under Article 19 (3) of the Convention and the work programme and *modus operandi* of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA)
3. The proposed budget follows the structure of the 1995 budget adopted by the Conference of the Parties at its first meeting. A 5% increase is included to offset inflation and expected cost increases. Proposed increases in human or financial resources beyond this standard are clearly marked on the table, with an explanation for the proposed increase given in this note. The goal is a clear presentation of a budget that represents the genuine needs arising from the MTPW and the implementation of the Convention.

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## II. PROPOSED CHANGES FROM THE 1995 BUDGET WITH EXPLANATIONS

4. Recognizing the need to balance limited resources with a Convention with an ever-growing number of Parties and a heavy, comprehensive work programme, the proposed budget aims to provide minimal, yet critical, and strategic increases in human and financial resources. It also decreases expenditures where possible.

5. Three new staff in the professional category are proposed with the following justification:

(a) *Economist:*

The three-fold objectives of the Convention represent a balance among conservation, sustainable use and benefit-sharing. The agreed objectives of a treaty outline the framework within which the more specific provisions are to be carried out. The economic issues inherent in sustainable use and benefit-sharing are therefore relevant to many of the items of the medium-term programme of work and to the implementation of the Convention in general. The lack of an economist affects the ability of the implementation of the work programme to reflect the balance among the three-fold objectives of the Convention.

In addition, the MTPW for 1996 includes the consideration of options for implementing Article 11 *Incentive Measures*. Article 11 requires each Party to adopt economic and socially sound measures, which act as incentives to conserve biological diversity and sustainably use its components. Meaningful consideration of these options requires the skills of an economist.

(b) *Forests officer:*

The Conference of the Parties at its first meeting sent a statement to the third session of the Commission on Sustainable Development (CSD) which emphasized the importance of conservation, management and sustainable use of forests for achieving the objectives of the Convention and concluded that "[T]he Conference of the Parties stands ready to make its own contribution to that process, consistent with its role in developing measures to achieve the objectives of the Convention with respect to forests."

At its third session, the CSD decided to establish an open ended *Ad Hoc* Intergovernmental Panel on Forests under its aegis. The panel is required to submit a progress report to the fourth session of the CSD in 1996 and its final conclusions, recommendations and proposals for action to the CSD's fifth session in 1997. A small Secretariat for the panel has been created within DPCSD. At its sixth meeting held in Geneva from 12-13 July 1995, the Interagency Committee on Sustainable Development decided to include the Secretariat of the Convention on Biological Diversity as a member of the Interagency Task Force on Forests established to provide support to the Intergovernmental Panel on Forests. At its first meeting held in Geneva from 20-21 July, the Interagency Task Force on Forests designated the Secretariat of the Convention on Biological Diversity as the lead agency for addressing issues pertaining to indigenous peoples.

The proposed budget includes a forests officer to: (1) enable it to make the COP's promised contribution to the CSD initiated process; and (2) to ensure that biodiversity issues related to forests are adequately reflected in the activities of the Secretariat, on the basis of the MTPW, as well as the Conference of the Parties' recognition of the importance of this issue to the achievement of the Convention's objectives.



(c)

*Programme officer for the clearing-house mechanism:*

At the request of the Conference of the Parties at its first meeting (Decision I/3, UNEP/CBD/COP/1/17), the Secretariat has recommended a fully costed option for operating the clearing-house in its pilot phase (*see*, UNEP/CBD/COP/2/6). It is envisaged that the pilot phase of the clearing-house mechanism will require extensive negotiations with international institutions concerning access to information of relevance to the Convention on Biological Diversity. In addition, the pilot phase proposes to elaborate a project for capacity-building to enable countries to fully participate in the mechanism as it evolves. The workload implied by these activities in the critical start-up phase has led to the proposal to add a P2 programme officer to the professional staff under this item.

6. To support the proposed new staff, the budget provides for two secretaries additional to those contained in the 1995 budget.

7. In all decisions relating to meetings to be convened under the Convention, the Conference of the Parties may wish to incorporate in the budget resources to finance the participation of least developing country Parties, in accordance with General Assembly Resolution A/49/98, 19 December 1994.

8. After assessing the experience gained in 1995 and analyzing the remainder of the programme of work, other budget increases, decreases and redistributions have been proposed. These will be examined under the functional headings adopted for the 1995 budget:

(a) *Intergovernmental Processes and Cooperative Arrangements:*

The 1995 budget provided \$30,000 for consultants and \$30,000 for informal expert consultations, for a total of \$60,000. Based on the demands of 1995 and the remainder of the work programme, the proposed budget focusses on supporting the Convention at the national level. Accordingly, the proposed budget contains \$70,000 for 1996 and \$74,000 for 1997 to support regional and sub-regional workshops that focus on training and assistance in implementing the Convention including the preparation of national reports. Voluntary contributions will be necessary to fund the full costs of such workshops. The proposed budget will cover the start-up costs including the preparation, reproduction and distribution of background documents for the workshops. The 1995 budget lines for consultants and expert consultations have been eliminated. The net increase from the 1995 budget is therefore \$10,000.

(b) *Legal Advice and Support:*

The 1995 budget provided \$60,000 for support activities and consultants. In addition to the purely legal matters under the Convention, it has become clear that legal issues are inherent in many of the other items in the MTPW. Because the issues are often discrete and highly specialized, they are well-suited to support through the cost-effective option of short-term consultancies. In addition, as the number of regional and sub-regional workshops increase, it may be desirable to provide for specific regional legal input. The proposed budget therefore includes \$80,000 for this item, an increase of \$20,000.

(c) *Scientific, Technical and Technological Matters:*

In accordance with the GA resolution noted above, the travel expenses of least

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developed countries to meetings of the SBSTTA have been included in the proposed budget. These figures will need to be adjusted, in accordance with any decisions taken on the venue of the meetings. The 1995 budget provided \$65,000 to support activities and consultancies under this functional area. The budget was insufficient to meet the demands created by the heavy SBSTTA and COP agendas and the need for broad consultations with colleagues within and outside the United Nations. The proposed budget for 1996 requests \$80,000 for consultants and support activities, an increase of \$15,000.

(d) *Information Management and Communication:*

The 1995 budget of \$10,000 for library acquisitions has been insufficient to start and keep the library current and up-to-date with the information required for the implementation of the Convention and the MTPW. The proposed budget includes \$50,000 for this item, an increase of \$40,000. This will enable the Secretariat to build a library and to keep it current.

(e) *Clearing-house mechanism:*

The 1995 budget provided for \$100,000 for consultants. The proposed budget for 1996 includes \$50,000 for consultants and \$53,000 for 1997. The decrease reflects the contribution of the proposed new professional position to carrying out the work. It was felt that the continuity of the staff member in the evolution of the mechanism was a more effective way of implementing the programme of work than the use of consultants on an *ad hoc* basis. In addition, \$40,000 has been added to cover the additional needs for equipment required for the pilot phase.

(f) *Common costs:*

The 1995 budget provided for \$180,000 for travel of staff. The experience in 1995 has been that this sum is not sufficient to cover the travel expenses of Secretariat staff to meetings of importance to the implementation of the Convention. The proposed budget for 1996 has therefore increased the budget by \$40,000 and included the item at \$220,000. The increase reflects the overall increase in travel resulting from additional staff and the growing demand on the Secretariat to assist with the implementation of the Convention at various levels. In addition, the proposed increase reflects the rising cost of travel.

(g) *Equipment:*

The 1995 budget contained one line for equipment and provided \$130,000. To more accurately reflect the Secretariat's needs, the proposed budget for 1996 and 1997 divides this category into equipment, supplies and material. The proposed budget for equipment is \$100,000, which will provide for office furniture, computers and printers for new staff members and for high-volume reproduction machinery to save the cost of reproduction outside the Secretariat. The proposed budget contains \$50,000 for supplies and material and includes stationery, computer software etc. The proposed net increase when both figures are combined is \$20,000.

(h) *Premises:*

The proposed budget contains \$50,000 for utilities. This is an increase of \$20,000 from the 1995 budget and represents the true costs for utilities under the present circumstances.

(i) *Miscellaneous:*

The 1995 budget provided for \$80,000 in temporary assistance and overtime expenses. The amount was not sufficient to meet the demands of the workload. The most cost-effective way of addressing critical periods, for example when documents need to be rapidly reproduced and dispatched, is to hire temporary assistance. With the purchase or lease of high-capacity reproduction machinery, the expectation is that reproduction will be done in-house, thus increasing the need to occasionally engage temporary assistance. In addition, the heavy workload often requires overtime from the general service staff. To adequately address these needs, the 1996 budget proposes \$100,000 for this item, a net increase of \$20,000 from 1995.

The 1995 budget contains \$170,000 for communications (fax, phone, e-mail). The proposed budget for 1996 includes \$200,000 for this item. The net increase of \$30,000 provides the resources to respond to the expanding interest in the Convention, the growing number of processes of relevance to its implementation and the increasing number of Parties.

The 1995 budget includes \$40,000 for recruitment costs and travel on interviews. The proposed budget for 1996 includes \$30,000 a net decrease of \$10,000. It is expected that the basic structure of the Secretariat will be completed by January 1996 and the recruitment needs for 1996 will therefore require fewer resources than in 1995.

The 1995 budget includes \$80,000 for relocation of staff and removal expenses. The proposed budget for 1996 includes \$0 for this item, a decrease of \$80,000. The removal expenses are included as part of the budget as staff common costs in each salary. The proposed budget assumes any relocation costs of the Secretariat will be borne by the host government.

9. As is common UN practice, all posts have been listed at dual levels. This provides: (1) flexibility in recruitment to ensure the best candidate can be selected for the post; and (2) continuity of staff by allowing promotion within a post.

10. Any mid-course revision of the medium-term programme of work will influence the final budget figures. Decisions taken during the course of the second and third meetings of the COP with financial implications, in particular regarding the venue of the Convention's major meetings, ways to implement the clearing-house mechanism, the programme and means for carrying out the work of SBSTTA and the way to proceed under Article 19 (3), will need to be incorporated in a revision to the budget proposal presented here. In addition, the location of the Secretariat may also affect the costs reflected in the proposed budget and adjustments may need to be made at the time of any relocation.

### **III. CONCLUSION**

11. The proposed budget for 1996 and 1997 assesses the financial implications of the successful follow-up to decisions made at the first meeting of the Conference of the Parties, in particular its MTPW. It attempts to strike a balance between the reality of scarce resources and a heavy work programme. Just as any revision to the MTPW should be reflected in the final budget figures, a revision in the budget figures should not be considered in isolation from its effect on the successful delivery of the work. To enable the Conference of the Parties to make informed decisions about its budget, this note and proposed budget clearly identify all proposed changes from the 1995 budget and link them to the MTPW and decisions of the COP.