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REPORT OF THE EXECUTIVE SECRETARY ON THE ADMINISTRATION OF THE CONVENTION AND THE BUDGET FOR THE TRUST FUNDS OF THE CONVENTION

Note by the Executive Secretary

INTRODUCTION

1. At its eighth meeting, the Conference of the Parties requested the Executive Secretary, in paragraph 26 of its decision VIII/31, to report to the Conference of the Parties at its ninth meeting on income and budget performance as well as any adjustments made to the Convention budget for the biennium 2007-2008.

2. The present document has been prepared by the Executive Secretary in response to that request and highlights the financial and administrative performance of the Secretariat since the last meeting of the Conference of the Parties. It should be read in conjunction with the notes by the Executive Secretary on the proposed budget for the programme of work for the biennium 2009-2010 (UNEP/CBD/COP/9/27 and Add.1 and UNEP/CBD/COP/9/INF/13).

3. The document is divided into four sections, as follows:

(a) Section I reports on income and budget performance in 2006 and in the biennium 2007-2008 for the four trust funds of the Convention, namely the General Trust Fund for the Convention on Biological Diversity (**BY Trust Fund**); the Special Voluntary Trust Fund for Additional Approved Activities of the Convention on Biological Diversity (**BE Trust Fund**), the Special Voluntary Trust Fund for Facilitating the Participation of Parties in the Convention Process (**BZ Trust Fund**) and the General Trust Fund for Voluntary Contributions to Facilitate the Participation of Indigenous and Local Communities in the Work of the Convention (**VB Trust Fund**). Expenditure figures for the biennium 2007-2008 given here, refer only to the first year of the 2007-2008 biennium, and are expected to change by the end of the year 2008 to reflect actual expenditure. This section also contains a report on commitments made for the year 2008 to the BY Trust Fund;

(b) Section II deals with personnel matters. It reports on the progress made in classifying, advertising and filling the posts in the Secretariat;

* UNEP/CBD/COP/9/1.

(c) Section III reports on the actions taken to enhance the efficiency and performance of the operations of the Secretariat.

(d) Section IV contains elements of a draft decision for the consideration of the Conference of the Parties on the administration of the Convention and the budget for the Trust Funds of the Convention.

4. In order to minimize reporting costs, the following texts are being issued as an information document (UNEP/CBD/COP/9/INF/40):

(a) Status of contributions to the BY, BE, BZ and VB Trust Funds as at 31 December 2007 (annexes I-IV);

(b) Status of the BE, BZ and VB Trust Funds as at 31 December 2007 (annexes V– VII);

(c) Financial statements for the year 2007 (annex VIII);

(d) Current scales of contributions for 2007-2008 (annex IX).

I. INCOME AND BUDGET PERFORMANCE IN 2006-2008

5. The status of contributions to the four trust funds as at 31 December 2007 is set out in annexes I-IV of document UNEP/CBD/COP/9/INF/40.

A. *General Trust Fund for the Convention on Biological Diversity (Core budget or BY Trust Fund)*

1. *Income and budget performance in 2006*

(a) *Budget for 2006*

6. By its decision VII/34, the Conference of the Parties approved a core programme budget of \$10,918,500 for the year 2006 for the Secretariat of the Convention on Biological Diversity (SCBD). Of this amount, \$8,083,500 was to be payable by Parties in line with the scale set out in the annex of decision VII/34, and \$835,000 was to be funded from the contribution from the host country and \$2,000,000 from the accumulated surplus and savings (carry-over balance) from prior years (1995-2005) as follows:

Source of funding	2006
Parties to CBD	\$8,083,500
Host Country	\$ 835,000
Surplus/Savings	\$2,000,000
Total	\$10,918,500

(b) *Contributions for 2006*

7. As of 31 December 2006, contributions received for 2006 to the BY Trust Fund amounted to \$7,556,375 as follows:

Advance payments for 2006 received in 2005	\$1,667,194
Contributions for 2006 received in 2006	\$5,639,181
Contribution from the Host Government	\$ 200,000
Special contribution of the United States of America	\$50,000
<i>Total</i>	<i>\$7,556,375</i>

8. Therefore, the assessed contributions paid with respect to 2006 as of 31 December 2006, amounted to \$7,306,375 (or 90 per cent of the total approved for the year by the Conference of the Parties at its seventh meeting) as follows:

Advance payments for 2006 received in 2005	-	\$1,667,194
Contributions for 2006 received in 2006	-	\$5,639,181
<i>Total</i>	-	<i>\$7,306,375</i>

Percentage assessed contributions paid as at 31 December 2006 - 90%

9. This amount represents contributions paid in full or in part by 122 Parties (or 64.6 per cent of the total number of Parties to the Convention).

10. It should also be noted that as at 31 December 2006, late payments received during 2006 for 2005 and prior years amounted to US\$ 592,255.

(c) Expenditures in 2006

11. A total amount of \$10,889,133 was spent from the BY Trust Fund during 2006. This amount represents 100 per cent of the funds approved by the Conference of the Parties for the year 2006 (\$10,918,500) (see tables 1 and 2 below). A total of \$2,835,000 of the budget approved by the Conference of the Parties for 2006 was funded from the contribution from the host country and from the savings and surplus in keeping with decision VII/34. The balance (\$8,083,500) was funded from assessed contributions to the BY Trust Fund. As of 31 December 2006, \$7,356,375 in assessed contributions and special contributions had been paid for 2006.

12. In addition to the expenditure reflected in table 1, a total of \$163,780 was recorded as gain/loss of exchange in 2006 due to the depreciation of the United States dollar against the Canadian and other currencies. The Secretariat is in the process of negotiating with the Trustee the possibility of these losses being covered from the 13 per cent for administrative charges paid to UNEP.

13. Increased staff costs as a result of changes in the exchange rate during 2006 are reflected in the percentage of 108% expenditure under the Office of the Executive Secretary, whereas under-expenditure under the Scientific, Technical and Technological Matters (STTM) was as a result of the fact that the eleventh meeting of SBSTTA, although budgeted for 2006, was actually held in 2005. Additionally, several posts under that programme were unfilled during 2006. Over-expenditure under the Social Economic and Legal Matters (SEL) programme resulted from the rescheduling of the fourth meeting of the Ad Hoc Working Group on Article 8(j) and the fourth meeting of the Ad Hoc Working Group on Access and Benefit Sharing from 2005 to January 2006 thus leading to funding approved in 2005 being used in 2006. Over-expenditure under the Resource Management and Conference Services Division was a result of several factors including the decision taken by the Conference of the Parties (decision VIII/31, paragraph 20) to reimburse the expenditure for travel of participants attending the eighth meeting of the Conference of the Parties from the core budget, as well as the transfer of the post of Secretary of Governing Bodies to the RMCS division from the EDM division. Additionally, increased costs of staff

as a result of the depreciation of the United States dollar during 2006 contributed to the over-expenditure. There was an under-expenditure of the shared costs as a result of several unfilled posts in 2006. Prior year's adjustments reflect expenditure related to the additional personnel costs related to the retirement of the former Executive Secretary in 2005, as well as savings from meetings convened in 2005.

Table 1. BY Trust Fund expenditure in 2006 by programme

<i>Programme</i>	<i>Approved budget (\$US)</i>	<i>Expenditure</i>	<i>Percentage of approved budget :</i>
Office of the Executive Secretary (formerly Executive direction and management)	926,500	1,003,688	108
Scientific, technical and technological matters	1,910,100	1,279,726	67
Social, economic and legal matters	1,048,800	1,541,457	147
Implementation and outreach	946,100	966,448	102
Resource management and conference services	1,504,300	1,756,481	117
Shared costs	3,326,600	2,986,370	90
Prior year's adjustments		102,232	
Programme support costs	1,256,100	1,252,732	100
Total	10,918,500	10,889,133	100

Table 2. BY Trust Fund expenditure in 2006 by object of expenditure

<i>Object of expenditure</i>	<i>Approved budget (\$US)</i>	<i>Expenditure</i>	<i>Percentage of approved budget</i>
Staff costs (including temporary assistance/overtime training and insurance)	6,274,400	5,952,184	95
Consultants/Sub-contracts	100,000	108,767	109
Travel on official business	360,000	387,462	108
Conference-servicing costs	1,425,000	1,409,960	99
Meetings	115,000	223,726	195
Reporting costs	190,000	236,396	124
General operating expenses	1,198,000	1,215,674	101
Prior year's adjustments		102,232	
Programme support costs	1,256,001	1,252,732	100
Total	10,918,500	10,889,133	100

14. As mentioned above, meeting costs in 2006 are overspent as a result of the commitment of \$116,678 approved by the Conference of the Parties at its eighth meeting (decision VIII/31, para. 20), to fund the participation of several developing country Parties in the eighth meeting of the Conference of the Parties from the savings and surpluses of the BY Trust Fund. Additionally, the costs of the meetings of the Bureau of the Conference of the Parties were slightly higher than originally budgeted.

2. *Income and budget performance in 2007**(a) Budget for 2007*

15. In its decision VIII/31, the Conference of the Parties approved a core programme budget of \$11,012,400 for the year 2007 for the Secretariat of the Convention on Biological Diversity. Of this amount, \$8,160,700 was to be payable by Parties in line with the scale set out in the annex of decision VIII/31, \$2,000,000 was to be funded from the accumulated surplus and savings (carry-over balance) from prior years (1995-2006), and \$851,700 was to be funded from the host country contribution as follows:

Source of Funding	2007
Parties to CBD	\$8,160,700
Surplus/Savings	\$2,000,000
Host Country	\$ 851,700
Total	\$11,012,400

(b) Contributions for 2007

16. As at 31 December 2007, contributions received for 2007 to the BY Trust Fund amounted to \$8,639,688 as follows:

Advance payments for 2007 received in 2006	\$2,085,899
Contributions for 2007 received in 2007	\$5,702,089
Contribution from the Host Government	\$ 851,700
Total	\$8,639,688

17. The assessed contributions paid with respect to 2007 as at 31 December 2007, amounted to \$7,787,988 (or 95 per cent of the total approved for the year by the Conference of the Parties at its eighth meeting) as follows:

Advance payments for 2007 received in 2006	-	\$2,085,899
Contributions for 2007 received in 2007	-	\$5,702,089
Total	-	\$7,787,988

Percentage of 2007 assessed contributions paid as at 31 December 2007 – 95%

18. This amount represents contributions paid in full or in part by 126 Parties (or 67 per cent of the total number of Parties to the Convention).

19. It should be noted that as at 31 December 2007, late payments received during 2007 for 2006 and prior years amounted to \$1,508,524.

20. Table 3 below shows the cumulative payments to the BY Trust Fund by month in 2006, 2007 and 2008. As at the end of the first quarter of 2006, total payments received for 2006 amounted to only 58 per cent of the amount approved, in spite of the fact that contributions should have been paid in January. As a result of the lack of payment of contributions by Parties on a timely basis, and in order to allow the Secretariat to implement the 2007 work programme and renew staff contracts, the Executive Secretary drew upon the available savings and surplus in the BY Trust Fund (from late payments made for 2006 and prior years), without which it would have been impossible for the Secretariat to discharge its functions.

21. Similarly, at the end of the first quarter of 2007, only \$4,487,739 had been received as payments for the year (i.e. 55 per cent of the amount pledged for 2007). This again resulted in a situation in which the Executive Secretary had to draw upon the working capital reserve and savings and surplus to ensure that, despite the late payment of contributions, the Secretariat could continue to function.

22. It should nevertheless be noted that payments to the BY Trust Fund continue to be substantial with 90 per cent and 95 per cent collection rates of assessed contributions (BY) in 2006 and 2007, respectively.

Table 3: Cumulative contributions to the BY Trust Fund by month for 2006, 2007 and 2008

Month	Contributions received for 2006 US\$	% of 2006 Assessed Contributions	Contributions received for 2007 US\$	% of 2007 Assessed Contributions	Contributions received for 2008* US\$	% of 2008 Assessed Contributions
January	\$3,403,197	42	\$2,085,899	26	\$1,577,733	18.5
February	\$3,701,302	46	\$2,722,146	33		
March	\$4,699,877	58	\$4,487,739	55		
April	\$6,478,351	80	\$6,283,514	77		
May	\$6,536,942	81	\$6,430,509	79		
June	\$6,537,693	81	\$6,791,958	83		
July	\$6,731,190	83	\$7,165,055	88		
August	\$6,735,825	83	\$7,400,140	91		
September	\$6,735,865	83	\$7,448,082	91		
October	\$6,919,287	86	\$7,556,238	93		
November	\$7,211,896	89	\$7,662,640	94		
December	\$7,306,375	90	\$7,787,988	95		

* as at 31 December 2007

(c) Carry-over balance (savings and surplus)

23. Unspent allocations at the end of the biennium, (as a result of lower cost of activities, non-filling of posts, activities financed from other sources etc.) are referred to as “**savings**”. Contributions received during a given year for prior years’ pledges are referred to as “**surplus**”. Savings and surpluses together are referred to as the “**carry-over balance**”, as they are carried over into the new biennium. At its eighth meeting, the Conference of the Parties approved the use of a total of \$4,000,000 from the “carry-over balance”, (i.e., the savings and surpluses from previous financial periods) to cover part of the 2007-2008 core budget. With the allocation of this \$4,000,000 from the savings and surplus to reduce the assessed contributions of Parties for the 2007-2008 biennium the savings accumulated over the years has now been exhausted.

(d) Expenditures in 2007

24. Direct commitments in 2007 (including programme support costs) as at 31 December 2007, totalled \$10,629,151 equivalent to approximately 97 per cent (less the working capital reserve) of the total amount approved by the Conference of the Parties for BY Trust Fund activities in 2007 as per

decision VIII/31. The expenditure figures below are interim pending the official closure of the 2007 accounts by UNEP.

(i) *Expenditure by programme*

25. Table 4 below reflects the percentage of expenditure in 2007 by programme. It also reflects the percentage of expenditure vis-à-vis income allocated for 2007 and vis-à-vis actual income received during 2007. This latter takes into account funds paid to the Trust Fund, not only in respect of 2007 assessed contributions but also funds paid in 2007 for prior and future years' pledges.

Table 4. BY Trust Fund expenditures in 2007 by programme

Programme	Approved budget (\$US)	Commitments/ Expenditure	Percentage of:		
			Budget approved by COP	Actual contributions received for 2007	Income received in 2007*
Office of the Executive Secretary	574,400	673,712	117		
Scientific, technical and technological matters	2,200,600	2,092,369	95		
Social, economic and legal matters	1,903,400	1,933,183	102		
Outreach and major groups	1,561,800	1,377,544	88		
Implementation and technical support	1,505,900	1,319,803	88		
Resource Management and Conference Services	1,950,100	2,009,717	103		
PSC	1,260,500	1,222,823	97		
Total	10,956,700	10,629,151	97	123	110

* Includes funds received in 2007 for prior and for future years

Office of the Executive Secretary

26. A total of \$673,712 of the funds allocated by the Conference of the Parties at its eighth meeting for Office of the Executive Secretary was expended during 2007 as at 31 December 2007. Additional expenditure under the OES is a result of the increased salaries due to the depreciation of the United States dollar and the consequent increase in the post adjustment multiplier for Montreal which increased from 43.8 in January 2007 to 69.9 in December 2007 – an increase of 60 per cent in United States dollar terms in the post adjustment paid by the Secretariat to its Professional staff.*

Scientific, Technical and Technological Matters

27. As can be seen from table 4, a total of \$2,092,369 (95%) of the funds approved by the Conference of the Parties for the Scientific, Technical and Technological Matters (STTM) programme were spent

* The post adjustment system was designed to equalize purchasing power of United Nations salaries for staff in the Professional and higher categories taking into account the cost-of-living differences between the base city of the system (New York) and other duty stations. The system aims at ensuring that no matter where United Nations common system staff work, at some 180 locations worldwide, their take-home-pay has a purchasing power equivalent to that at the base of the system.

during 2007 as at 31 December 2007. Savings were realized under this programme as a result of the fact that Programme Officer posts for Taxonomy and for Risk Assessment were vacant for the first three quarters of 2007 and those for Conservation Ecology and Marine Biodiversity were only filled during the second quarter of the year.

Social, Economic and Legal Matters

28. A total of \$1,933,183 (102%) of the funds approved by the Conference of the Parties for the Social, Economic and Legal Matters programme was spent during 2007 as at 31 December 2007. All of the posts under this programme were filled during the year.

Outreach and Major Groups

29. A total of \$1,377,544 (88%) of the budget approved for the Outreach and Major Groups programme was expended during 2007 as at 31 December 2007. There was under expenditure in this programme as a result of fact that the CBD handbook and the GBO-3 expenses will be reflected in 2008 and one professional post – Internet Communications Programme Officer post (P-3) was vacant during 2007.

Implementation and Technical Support

30. A total of \$1,319,803 (88%) of the budget approved for the Implementation and Technical Support programme was spent during 2007 as at 31 December 2007. Under expenditure was mainly due to the fact that the position of Principal Officer under this programme was vacant during 2007, and the review of the financial mechanism was accomplished with approximately half of the funds budgeted for this activity.

Resource Management and Conference Services

31. A total of \$2,009,717 (103%) of the budget approved for the Resource Management and Conference Services programme was spent during 2007 as at 31 December 2007. All of the posts under this programme were filled during the year.

Shared costs

32. In keeping with paragraph 32 of decision VIII/31 in which the Conference of the Parties called on the Executive Secretary to use the tracking system to review the ratio of the shared costs of the Secretariat between the Convention and the Biosafety Protocol, the Secretariat developed an electronic system enabling staff, on a daily basis, to differentiate and register their time spent on the Convention and on the Protocol. An analysis of the data from staff currently denominated as shared resulted in an 85:15 split between the Convention and the Protocol, however it was also determined that four staff members (3 professionals and 1 general service) that were previously under the shared budget were in fact working 100% for the Biosafety Protocol and, as such, the Executive Secretary has removed them from the shared costs and placed them in the Biosafety budget. Additionally, one P-4 staff member – Secretary of Governing Bodies was determined to be a shared resource and has been added to the shared costs.

(ii) *Expenditure by object of expenditure***Table 5. BY Trust Fund expenditures in 2007 by object of expenditure as at 31 December 2007**

Object of expenditure	Approved budget (\$US)	Commitments/ Expenditure	Percentage of:		
			Budget approved by COP	Actual contributions received for 2007	Income received in 2007*
Staff costs	6,278,900	6,110,159	97		
Consultants/sub-contracts	250,000	148,919	60		
Travel on official business	410,000	392,804	96		
Bureaux meetings	90,000	112,074	125**		
Meetings	1,425,000	1,357,680	95		
Public-awareness materials	150,000	89,639	60		
General operating expenses	1,092,300	1,330,255	122**		
Prior year's adjustment		-135,202			
Programme Support Costs (PSC)	1,260,500	1,222,823	97		
Total	10,956,700	10,629,151	97	123	110

* includes funds received in 2007 for prior and for future years

** increase resulted from depreciation of the US dollar in 2007

33. Due to the use of the surplus and savings as approved by the Conference of the Parties at its eighth meeting, as seen in table 5 above the percentage expenditure for 2007 is greater than funds received from assessed contributions. As explained above, approximately 110 per cent of the total actual income received in 2007 was spent in 2007. This income takes into account funds paid to the Trust Fund, not only in 2007 but also funds paid in 2007 for prior and future years' pledges. This expenditure is reflected in table 5 as a percentage of contributions received for 2007 as well as a percentage of total available income.

Staff costs

34. It should be noted that staff costs are budgeted using estimated standard costs based on the assumptions contained in the note by the Executive Secretary on the proposed programme budget of the Convention on Biological Diversity for the biennium 2007-2008 prepared for the eighth meeting of the Conference of the Parties (UNEP/CBD/COP/8/28). They include both salaries and common staff costs. 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 dependants, education grant, and repatriation costs. Although expenditure on staff costs were higher than originally budgeted as a result of increases in the post adjustment multiplier for Montreal due to the depreciation of the United States dollar, some savings were realized during 2007 due to the delayed recruitment of some staff members in 2007.

35. As at 31 December 2007, 33 of the 34 approved Professional posts and 24 of the 26 approved General Service posts funded from the core budget (BY Trust Fund) were filled, giving an overall percentage of 92 per cent of approved posts filled and regularized. As indicated in table 5 above, staff costs amounted to \$6,110,159, being 97 per cent of the total amount budgeted under this line. In addition to salaries and allowances, costs covered under this line include temporary assistance, overtime and staff training.

36. Information on the status of staffing in the Secretariat is reported on a quarterly basis through the Quarterly Report that is posted on the Secretariat's website, and a detailed breakdown of the status can be found in section II of this document.

Consultants and sub-contracts

37. Table 5 above shows that expenditure on consultancies and sub-contracts during 2007 fell within the expected budgeted amount. Consultants and sub-contracts were used in the following programmes of work – review of the financial mechanism; clearing house mechanism; forest biodiversity; incentive measures; ecosystem approach; biodiversity and tourism; outreach and conference servicing.

Travel on official business

38. Travel expenses in 2007 were in keeping with projections. Additionally, participation of staff in many meetings was funded by the organizers. Members of the Secretariat represent the Convention at various meetings and events and travel of staff members to other organizations' events is one of the important ways of achieving synergies and integrated work programmes.

Meetings

39. Conference-servicing costs in 2007 were in keeping with those originally budgeted. Bureau meeting costs exceeded budgeted amounts mostly as a result of increased costs (tickets and per diems) for Montreal as a result of the depreciation of the United States dollar in 2007.

Public awareness materials

40. Expenditure in 2007 was lower than original projections due to the postponement of the new edition of the Handbook of the Convention as it required substantial changes to integrate the latest COP decisions. The financial resources required for such a revision were not budgeted by COP. Funds were used to produce public awareness materials for the implementation of CEPA such as the Gincana magazine; CBD Technical Reports; CBD newsletters and brochures, Programmes of Work, the Year in Review, and outreach materials for the celebration of the International Day on biodiversity.

General operating expenses

41. 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. Expenditure was greater than original projections as a result of the depreciation of the United States dollar in 2007 and the consequent increase in expenses paid in Canadian dollars (for example, rent and maintenance of premises).

3. Projected income and budget performance in 2008

(a) Budget for 2008

42. By its decision VIII/31, the Conference of the Parties approved a core programme budget for the Secretariat of \$11,390,600 for the year 2008. Of this amount, \$8,521,900 is payable by Parties in line with the scale set out in the annex of decision VIII/31, \$2,000,000 is funded from the accumulated surplus and savings (carry-over balance) from prior years (1995-2006), and \$868,700 is funded from the host country contribution as follows:

Source of funding	2008
Parties to CBD	\$8,521,900
Surplus/Savings	\$2,000,000
Host Country	\$868,700
Total	\$11,390,600

(b) Contributions for 2008

43. As at 31 December 2007, contributions received for 2008 to the BY Trust Fund amounted to \$1,577,733, or **18.5 per cent of assessed contributions for 2008**.

44. This amount represents contributions paid in full or in part by 79 Parties (or 42 per cent of the total number of Parties to the Convention).

(c) Commitments in 2008

45. A total amount of \$11,390,590 has been obligated as commitments for the year 2008. This amount accounts for 100 per cent of the funds approved by the Conference of the Parties for the year 2008 (see tables 6 and 7 below). A total of \$2,000,000 of the budget approved by the Conference of the Parties for 2008 will be funded from the savings and surplus in keeping with decision VIII/31, and a further \$868,700 will be funded from the contribution of the host government. The balance (\$8,521,890) will be funded from assessed contributions to the BY Trust Fund. As of 31 December 2007, only \$1,577,733 in assessed contributions had been paid in advance for 2008.

Table 6. BY Trust Fund commitments in 2008 by programme

Programme	Approved budget (\$US)	Commitments	Percentage of approved budget
Office of the Executive Secretary	645,200	645,182	100
Scientific, technical and technological matters	2,497,000	2,496,958	100
Social, economic and legal matters	1,288,000	1,287,987	100
Outreach and major groups	1,283,700	1,283,664	100
Implementation and technical support	1,393,600	1,393,618	100
Resource management and conference services	2,972,700	2,972,168	100
Programme support costs	1,310,400	1,310,422	100
Total	11,390,600	11,390,590	100

Table 7. BY Trust Fund commitments in 2008 by object of expenditure

<i>Object of expenditure</i>	<i>Approved budget (\$US)</i>	<i>Commitments</i>	<i>Percentage of approved budget</i>
Staff costs (including temporary assistance/overtime and training)	6,462,900	6,462,868	100
Consultants/Sub contracts	100,000	100,000	100
Travel on official business	410,000	410,000	100
Conference-servicing costs	1,775,000	1,775,000	100
Bureau Meetings	150,000	150,000	100
Reporting costs	90,000	90,000	100
General operating expenses	1,092,300	1,092,300	100
Programme support costs	1,310,400	1,310,422	100
Total	11,390,600	11,390,590	100

46. Commitments have been made in 2008 based on approvals by the Conference of the Parties at its eighth meeting.

4. Working capital reserve

47. The total working capital reserve approved by the Parties over the period 2003-2008 amounts to US\$ 1,117,372 made up as follows:

Biennium	US\$	Cumulative % of biennium budget including PSC
2003-2004	\$878,272	4%
2005-2006	\$183,400	5%
2007-2008	\$55,700	5%
Total	\$1,117,372	

48. The working capital reserve is calculated each biennium cumulatively so that the total in the reserve is equivalent to 5% of the biennium total including the programme support costs. The purpose of the working capital reserve is to ensure continuity of operations of the Convention's Secretariat in the event of a temporary shortfall of cash. Draw-downs from the working capital reserve are restored from contributions as soon as possible.

49. In the past the Convention had ample savings and surplus available to it and there was never a need to draw down on the working capital reserve. With the depletion of the surplus however, the need to temporarily use the working capital reserve is more likely, especially given the 100 per cent occupancy levels of the Secretariat in 2008 and the continued weakness of the United States dollar vis-à-vis the Canadian dollar. This situation means that the Secretariat more than ever needs Parties to pay their assessed contributions on or before 1 January in order to meet commitments at the beginning of the year. As such Parties are urged to pay their contributions in advance whenever possible.

5. Status of arrears to the BY Trust Fund for a period of two or more years

50. In paragraph 12 of its decision VIII/31, the Conference of the Parties authorized the Executive Secretary to, *inter alia*, enter into arrangements with any Party whose contributions are in arrears for two

or more years, to mutually agree on a schedule of payments to clear all outstanding arrears within six years and to report on the implementation of any such arrangement to the Conference of the Parties.

51. In response to this decision, the Executive Secretary issued letters on 15 May 2007 to 22 Parties who were in arrears for two or more years as at 31 December 2005, proposing a repayment schedule and requesting their agreement and compliance with the proposed schedule, or alternatively the immediate payment in full of their arrears.

52. Seven of the 22 Parties subsequently paid of their arrears in full. A further four Parties have paid a portion of their outstanding arrears. Despite reminders from the Trustee eleven Parties have neither responded nor paid any of their outstanding arrears.

B. Special Voluntary Trust Fund for additional approved activities of the Convention on Biological Diversity (BE Trust Fund)

53. Contributions to the BE Trust Fund are earmarked for specific activities in 2007 and 2008. A total of \$3,591,500 was approved under the BE Trust Fund by the eighth meeting of the Conference of the Parties for 2007 and \$2,190,400 for 2008. As at 31 December 2007, the Secretariat has received pledges for additional approved activities totalling \$2,324,584 in 2007, (or 65% of the amount approved in the budget), of which contributions of \$1,821,944 has been paid. Additionally \$652,422 was paid during 2007 for prior years (see UNEP/CBD/COP/9/INF/40, annex II).

54. Annex II of document UNEP/CBD/COP/9/INF/40 reflects the status of payments to the BE Trust Fund vis-à-vis the budget approved by the eighth meeting of the Conference of the Parties. It should however be noted that the Secretariat occasionally receives funds in the BE Trust Fund for activities not listed in the approved budget, in particular funds may be received for activities which are a result of intersessional recommendations.

55. A total of \$1,508,511 was spent or committed in 2007 for additional approved activities, including the activities listed below:

<i>Activity</i>	<i>Expenditure (US\$)</i>	<i>Number of funded participants</i>
Consultants/ Sub-contracts	\$232,148	N/A
Administrative support/Conference servicing costs	\$293,321	N/A
Travel	\$116,940	N/A
Public awareness /Information materials	\$188,908	N/A
Meeting of the Group of Technical Experts on an Internationally Recognized Certificate of Origin/Source/Legal Provenance, 22-25 January 2007, Lima, Peru	\$77,940	18
Roundtable on the Interlinkages between Biodiversity and Climate Change, 19-20 March 2007, Montreal, Canada	\$40,000	16
South and West Asia Sub-Regional Workshop on the review of, and Capacity-Building for, the implementation of the CBD Programme of Work on Protected Areas, 2-4 April 2007, Dehradun, India	\$47,358	22
Advisory Group for the Programme of Work on Article 8(j) and Related Provisions, 30 April-3 May 2007, Montreal, Canada	\$61,000	15
Ad Hoc Technical Expert Group on the Review of Implementation of the Programme of Work on Forest Biodiversity 28 May - 1 June 2007, Rome, Italy	\$37,665	13

<i>Activity</i>	<i>Expenditure (US\$)</i>	<i>Number of funded participants</i>
Anglophone Africa subregional workshop on the review of, and capacity-building for, the implementation of the CBD programme of work on Protected Areas, 13-16 August 2007, Cape Town, South Africa	\$92,181	42
Ad Hoc Technical Expert Group on Technology Transfer and Scientific and Technological Cooperation, 10-12 September 2007, Geneva, Switzerland	\$52,429	13
Expert Workshop on ecological criteria and biogeographic classification systems for marine areas in need of protection, 2-4 October 2007, Azores, Portugal	\$50,324	12
Arctic Region Workshop on Indigenous Communities, Tourism and Biodiversity: New Information and Web-based Technologies, 19-21 November 2007, Quebec City, Canada	\$44,220	16

C. Special Voluntary Trust Fund for facilitating participation of Parties in the Convention process (BZ Trust Fund)

56. Contributions to the BZ Trust Fund are earmarked for specific meetings in 2007 and 2008. A total of \$3,390,000 was approved under the BZ Trust Fund by the eighth meeting of the Conference of the Parties for 2007 and \$5,480,500 for 2008. As at 31 December 2007, the Secretariat has received pledges totalling \$1,587,620 in 2007 (47% of the amount approved for 2007), of which contributions of \$987,929 has been paid. Additionally \$97,033 has been collected for outstanding pledges for prior years. Annex III of document UNEP/CBD/COP/9/INF/40 reflects the status of payments to the BZ Trust Fund vis-à-vis the budget approved by the Conference of the Parties at its eighth meeting.

57. Expenditures to cover participation costs of 213 participants from Parties eligible for financial support to the following meetings convened in 2007 amounted to \$758,963 (excluding programme support costs):

<i>Meeting</i>	<i>Expenditure (US\$)</i>	<i>Number of funded participants</i>
Twelfth meeting of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA-12), 2-6 July 2007, Paris, France	\$171,056	48
Second Meeting of the Ad Hoc Open-ended Working Group on Review of Implementation of the Convention (WGRI-2), 9-13 July 2007, Paris, France	\$ 166,445	53
Fifth meeting of the Ad Hoc Open-ended Working Group on Access and Benefit-sharing, 8-12 October 2007, Montreal, Canada	\$262,332	55
Fifth meeting of the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions, 15-19 October 2007, Montreal, Canada	\$159,130	57

58. As of 31 December 2007, pledges of \$681,573 to the BZ Trust Fund remained unpaid.

D. General Voluntary Trust Fund for Facilitating Participation of Indigenous and Local Communities in the Work of the Convention on Biological Diversity (VB Trust Fund)

59. The Conference of the Parties in its decision VIII/5 adopted the mechanism for promoting the effective participation of indigenous and local communities in meetings held under the Convention and

established the General Voluntary Trust Fund for Facilitating Participation of Indigenous and Local Communities in the Work of the Convention on Biological Diversity (VB Trust Fund).

60. The Secretariat received pledges to the VB Trust Fund totalling \$458,664 in 2007, of which contributions of \$404,465 has been paid. Expenditures to cover participation costs of 60 participants from indigenous and local communities eligible for financial support to the following meetings convened in 2007 amounted to \$199,147 (excluding programme support costs):

<i>Meeting</i>	<i>Expenditure (US\$)</i>	<i>Number of funded participants</i>
Indigenous and Local Communities Experts for the International Indigenous Expert Consultation on Access and Benefit-sharing 19-21 September 2007, Montreal	\$63,000	20
Fifth meeting of the Ad Hoc Open-ended Working Group on Access and Benefit-sharing, 8-12 October 2007, Montreal, Canada	\$62,061	18
Fifth meeting of the Ad Hoc Open-ended Working Group on Article 8(j) and Related Provisions, 15-19 October 2007, Montreal, Canada	\$74,086	22

61. An additional US\$208,511 (excluding programme support costs), has been committed from the VB Trust Fund in 2008 for the participation of indigenous and local communities in the second meeting of the Ad Hoc Open-ended Working Group on Protected Areas and the sixth meeting of the Ad Hoc Open-ended Working Group on Access and Benefit Sharing.

II. PERSONNEL

Established posts

62. The Conference of the Parties approved 60 posts under the core budget (BY Trust Fund) for the biennium 2007-2008 in its decision VIII/31 (34 Professional posts and 26 General Service posts). The status of recruitment of these posts is reflected in table 8 below.

63. In addition, 12 posts were funded in 2007 from other sources of funding which included three Professional Posts and six General Service posts funded by UNEP from the 13 per cent programme support costs charged on the CBD trust funds and three Professional posts funded respectively by the Governments of Japan, Canada and France (see table 9 below).

Table 8. Status of staffing under the core budget (BY Trust Fund) as at 31 March 2008

<i>Status of posts</i>	<i>Professional posts</i>	<i>General Service posts</i>
Total number of posts approved by the Conference of the Parties	34	26
Regularized	34	25
Recruitment in progress	0	1

Table 9. Status of staffing from other sources of funding

<i>Status of posts</i>	<i>Professional posts</i>	<i>General Service posts</i>
Total number of posts be funded from other sources*	6	6
Regularized	6	6
Recruitment in progress	-	-

* Posts funded by: UNEP: 3 Professional posts; 6 General Service posts; Government of Japan: one Professional post; Government of France: one Professional post; Government of Canada: one Professional post.

Recruitment

64. In adopting its decision VIII/31, the Conference of the Parties noted with concern the high vacancy rate. As a result, major efforts were made during the biennium 2007-2008 to fill all the vacancies in the Secretariat. During 2006-2007, a total of 130 memoranda were sent to UNON/UNEP regarding personnel issues. In its continued effort to encourage transparency in the Secretariat operations, the Executive Secretary ensured that, all positions (short-term and fixed-term) were advertised publicly on the Secretariat employment vacancy webpage on a systematic basis. The vacancy announcements attracted numerous applications that were reviewed for consideration for employment. Twenty-eight new staff members have been recruited since 2006.

65. As at 31 March 2008, all of the 34 Professional posts approved by the Conference of the Parties were regularized. Additionally, five Professional staff members were regularized on posts funded from other sources. As at 31 March 2008, 25 of the 26 General Service staff members were regularized on posts funded from the core budget. Moreover, six staff members were regularized on posts funded from other sources.

66. Pursuant to decision VIII/16, in which the Conference of the Parties requested the Executive Secretary "to secure more resources from the programme support to fund Convention activities", the Executive Director of UNEP has kindly accepted to finance an additional P-3 Fund Management Officer post for the Cartagena Protocol on Biosafety as well as a P-2 post of Personal Assistant to the Executive Secretary. In addition, the Executive Director of UNEP has kindly accepted on an exceptional basis to finance 50 per cent of the salary of the Joint CBD/CCD Liaison Officer in New York for a period of two years as well as a part-time liaison officer of the CBD in Geneva. The Government of France has seconded, for an initial period of two years, a senior staff member on biodiversity for development. The Canadian Forests Service also seconded a senior staff to work in coordination with the Forest Biodiversity Officer. The Government of Germany has agreed to finance for an initial period of two years beginning in 2008, a senior staff on biodiversity and poverty alleviation. Discussions are also underway for the secondment to the Secretariat of liaison officers from the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Development Programme (UNDP).

67. Pursuant to decision VIII/31, three staff members have been reassigned as Secretary of Governing Bodies, Programme Coordination and focal point on National Biodiversity Strategies and Action Plans, as well as Coordinator of major groups. During the period 2006-2008, there were 29 interns and short-term staff members at the Secretariat. An MOU was signed in May 2006 with 11 Canadian universities and an agreement on internship programmes was also signed with Kobe University as well as with the Victoria University of Wellington.

Gender

68. In accordance with decision VIII/31 as well as United Nations gender policy, special attention has been devoted to promoting gender equality within the Secretariat. Since 2006, 28 new staff members have been recruited in the Secretariat, out of which 16 are women and 12 are men. This number comprises of 20 staff in the Professional category and 8 in the General Service category. In the Secretariat, women make up 51 per cent of the staff while 49 per cent are men. A female focal point for women as a major group has been designated.

69. On the occasion of the celebration of the 2007 International Women's Day, the Executive Secretary, appointed a Gender Focal Point to be ex-officio member in all the Secretariat interdepartmental recruitment panels with a view to ensuring gender equality and equity and the mainstreaming of gender issues within all United Nations processes. The designated gender focal point, in line with the 2005 UNEP Governing Council decision 23/11, on gender equality in the field of

environment, and in partnership with the Senior Gender Advisor at IUCN and contributions from the Government of Switzerland, has developed a Gender Plan of Action (see UNEP/CBD/COP/9/INF/13).

70. This Plan of Action defines the role that the Secretariat will play in stimulating and facilitating efforts, both in-house and with partners at the national, regional and global levels, to overcome constraints and take advantage of opportunities to promote gender equality and equity. The Plan of Action is the Secretariat's and the Convention's continuing response to global commitments of the last decades and a reflection of the increasing awareness that gender equality and women's empowerment are important prerequisites for environmental conservation and sustainable development. As a result, on the occasion of the International Women's Day on 8 March 2008, the Executive Secretary was presented with the IUCN "Male Warriors Supporting Women Empowerment in Environmental Conservation", awarded to men that have supported women's participation, leadership and recognition in the environment sector.

III. ENHANCING THE EFFICIENCY AND PERFORMANCE OF THE OPERATIONS OF THE SECRETARIAT

71. Between May 2006 and April 2008, the Secretariat organized 83 meetings, totalling 224 meeting days, with the participation of 5,266 delegates, including 894 sponsored delegates. The Secretariat serviced eleven major intersessional meetings under the Convention and its Biosafety Protocol. In the course of delivering these meetings, 230 pre-session documents were prepared, comprising 5,222 pages.

72. During the reporting period, the Secretariat in collaboration with its partners organized six trainings workshops back to back with major meetings of the Convention with the participation of approximately 310 participants. The Secretariat mobilized US\$ 3 million for the participation of eligible countries in the meetings of the Convention and its Biosafety Protocol. The total voluntary contributions pledged to the Secretariat have increased in one year from US\$ 3 million in 2006 to US\$5.1 million in 2007. It should also be noted that a four year (2008-2011) Letter of Intent in the amount of US\$ 2.1 million was signed with the Government of the Netherlands and an Agreement with the Government of Germany on the implementation of the Convention and poverty alleviation for US\$ 1.4 million has also been signed. A partnership with the European Commission in the amount of 620,000 euros has also been signed for the period 2007-2008 and a contribution of 800,000 euros has been provided by the Government of Spain to the Secretariat for activities in 2008.

73. The Secretariat has successfully implemented most of the recommendations of the 2006 audit report. As a result a policy on overtime compensation was finalized in July 2006 which resulted to reduced overtime hours from 2,261 hours in 2005 to 1,382 in 2006 and 946 in 2007. To maximize resources allocated for staff travel, as well as facilitate travel arrangements in a timely manner, a travel policy for the Secretariat staff was adopted in 2006, which provides an advance monthly overview of each Division's mission travel. As a general policy, only one staff member should attend meetings not serviced by the CBD, and any exception to this rule needs to be justified. Substantial savings have been generated as a result of the implementation of the SCBD travel policy as a number of travel missions have been paid for by sister agencies. In addition a monthly time sheet system was implemented and the quarterly analysis posted on the CBD website. Following an open and competitive bidding procedure, an official travel agent was selected and a three years agreement was signed (2007-2010) The agreement provides the Secretariat with cost effective travel-management services, ensuring the lowest cost and best prices possible in the market for air travel. The contract is being monitored and evaluated to ensure consistency in operation.

74. Pursuant to decision VIII/31, paragraph 21, the Secretariat circulated to Parties a note by the Executive Secretary entitled "Interim arrangements for the allocation of funding for facilitating

participation of Parties in the Convention process and its Biosafety Protocol” (UNEP/CBD/COP/9/INF/39), which was endorsed by the Bureau of the Conference of the Parties at its meeting held on 5 December 2006, in Brasilia. The document aims to maximize cost effectiveness, transparency and accountability, and enhance donor confidence that the funds are used as efficiently as possible. The Bureau at its meeting on 18 October 2007 reviewed the interim travel policy to further discuss the options at ensuring adequate geographical representation at CBD meetings. As a result, a revised travel policy was sent to all Parties. Since July 2007, the list of Secretariat’s sponsored delegates is being shared on a systematic basis with the Bureau. The interim travel policy is annexed to the present document.

A. *Enhancing the quality of the Secretariat’s conference services*

75. In order to enhance the capacity of the conference services and ensure consistency of the Convention processes, the post of Secretary of Governing Bodies was established and filled in 2006 pursuant to paragraph 33 of decision VIII/31. Since its establishment in Montreal in January 1996, the Secretariat has used the services of the International Civil Aviation Organization (ICAO) as de facto UN lead agency. Between June to November 2006, at the initiative of the Executive Secretary, intensive consultations with the Secretary-General of ICAO and relevant departments were held, resulting in the signing of a Memorandum of Understanding between the Executive Secretary and the Secretary-General on 19 February 2007. A high-level meeting with senior officials of ICAO and the Secretariat of the Convention is being planned for mid-2008 to discuss the implementation of the expected work plan to be adopted by the ninth meeting of the Conference of the Parties for the period 2008-2010.

76. The MOU covers issues related to administration, conference services, information and communication technologies, language services, travel, publication and printing. This has resulted in considerable savings, and when needed, an open bid is used to secure printing of publications at very competitive rates. Since October 2006, a systematic competitive-bidding system has been introduced by the Secretariat for each purchase above US\$ 1,000, ensuring that services have been obtained at the most cost effective rate.

77. The convening of the meetings of the organs of the Convention at the headquarters of the United Nations sister agencies in Paris, Geneva and Rome, has generated substantial savings and better use of available United Nations services. The cost of the twelfth and thirteenth meetings of SBSTTA were reduced to 82 per cent and 87 per cent, respectively compared to the eleventh meeting, held in 2005. It must be noted that conference-servicing needs, including interpretation, translation and editing are provided to UNFCCC and UNCCD by the regular budget of the United Nations General Assembly at no cost to the budget of the two sister Rio conventions.

78. Since 1999, the interpretation requirements of the Convention’s meetings were provided through the services of free lance interpreters. In January 2008, an agreement for two years was signed with the Division of Conference Services of the United Nations Office at Nairobi (UNON) for the provision of interpretation services for all meetings under the Convention from 2008 to 2010. The Secretariat has offered to UNON to extend the signed agreement to cover also the translations of its pre-session and in-session documents, which continue for the time being to be provided by free-lance translators. Pending a final decision by UNON, the Secretariat has undertaken major effort to enhance its database of free-lance translators.

79. The Secretariat has recruited in-house translators since January 2006, with financial support from the Governments of Spain and France. In 2007, approximately 127,128 words were translated into French while 148,056 were translated into Spanish using these in-house resources. As a result most of the 116 notifications sent in 2007 to focal points for the Convention on Biological Diversity and 17 sent to the focal points for the Cartagena Protocol on Biosafety were translated into French and Spanish. Most of the 107 press releases and communiqués issued by the Secretariat have also been translated into

French and Spanish. French and Spanish versions of the Secretariat website were also launched. The Secretariat will continue pursuing its efforts to launch its website in the other three United Nations languages.

80. Due to the high volume of documents translated by the Secretariat, the Conference Services and the ICT teams have been collaborating on the development of a Document Translation Management System (DTMS) to streamline the document translation process, and to easily generate status reports (by meeting, translator and/or budget line) as well as the corresponding statistics. This system was launched in November 2007 and is currently operational in its pilot phase. In the future it is planned to enhance this system to further streamline the Secretariat's document management workflow.

B. Enhancing communication and outreach

81. One year after its official launch, the new website of the Secretariat has recorded 6,459,808 page views and 81,118,705 hits, which corresponds to a 75 per cent increase compared to the same period a year ago. In 2008, the review of major relevant websites conducted by the United Nations Department of Economic and Social Affairs to update the SIDSNet has established that the CBD website is "the best among the best". The Secretariat website is becoming more widely noticeable and popular and a stronger tool for communication and outreach.

82. The new website complements the outreach and communication efforts undertaken by the Secretariat including elevating the celebration of the International Biodiversity Day into a major communication tool at both the national and global levels. To this end, a report on the celebration of the International Biodiversity Day was issued in 2006 and 2007.

83. During 2006-2008, five issues of the magazine *Gincana* have been issued with contributions of 20 Heads of State and Governments, 14 ministers and 31 heads of international organizations and multilateral environment agreements, including three contributions of the United Nations Secretary General. Five issues of the Business 2010 newsletters have been published, and two issues of the Newsletter *Gincanino* addressed to the youth have been prepared as well as two issues of the Newsletter *Pachamama* addressed to the indigenous and local communities. The Secretariat also finalized two issues of its newsletter on biosafety.

84. During the reporting period, the Secretariat also launched its compendium of CBD side events. The Secretariat also prepared the publication Year in Review as well as the report on activities for 2006 and 2007. A monthly Bulletin on Activities of the CBD has been also issued since January 2008. During the same period 107 press releases and communiqués have been issued. In addition, 40 written messages have been issued at the occasion of international days of sister agencies and 135 statements were delivered at major relevant international meetings. During the reporting period, 54 media interviews have been conducted and 24 presentations were delivered by the Executive Secretary. In addition, 9 articles to major magazine have been published.

C. Enhancement of staff performance

85. A Secretariat-wide electronic time-tracking system was instituted in 2006 on a monthly basis as a major and innovative staff management tool. In 2006, the Secretariat embarked on an intensive training programme in order to better equip its staff to meet the requirements of its new enhanced phase of implementation. Key speakers, including national focal points for the Convention, were invited to make presentations to the Secretariat staff. In 2006-2007, 119 dignitaries visited the Secretariat and addressed the staff. Since January 2006, more than 20 staff members of UNEP and UNON have visited the office with a view to enhancing the relation between SCBD and the host organization. A staff exchange programme was also initiated with UNEP' Division of Law and Environmental Conventions. Two hundred thirty-two memoranda have been sent to the Executive Director of UNEP in 2006-2007 to keep him informed on the work of the Convention. During the same period, three face-to-face meetings were

held with the United Nations Secretary General and four written reports on activities have been sent to him.

86. In response to a 2006 audit recommendation, the Secretariat established an internal task force comprising 10 staff members mandated to finalize a long-term training programme as well as oversee the organization of staff training seminars and retreats. In 2006, training seminars were held on the following issues: ethics, team-building, communication and stress management. A two-day training workshop was held in November 2007, with a focus on two issues: time management and conflict-to-collaboration. This was followed by a one-day staff retreat, under the theme “The Secretariat I want and the CBD we want”. A follow-up to the retreat was held in January 2008. The cost of the training seminars and retreat was borne by UNEP. The retreat considered the SCBD management review financed by UNEP and finalized in October 2007 by an independent company (<http://www.cbd.int/doc/secretariat/review/scbd-stratos-review-2007-09-24-en.pdf>). With assistance from UNON, the Secretariat staff were trained in the use of the United Nations Integrated Management Information System (IMIS) in 2006, and also took part in IMIS training for finance and administrative assistants held in Nairobi in 2007. An e-PAS training seminar for senior management, Professional and General Service staff was held in April 2007. It must be noted that four staff members of the Secretariat, including the Executive Secretary, have been nominated in 2007 for the UNEP Baobab Award.

87. Continuous efforts have been made to facilitate communication between the staff and different Secretariat Divisions. Regular staff meetings are held, of which a total of 14 meetings were convened in 2007. A total of 10 Management Committee meetings were convened. To enhance the flow of information, a total of 987 communications were sent to all staff by the Office of the Executive Secretary. In early 2008, weekly meetings of the Directors have been established. A Programme Coordinator has been designated.

88. Since January 2008, 18 divisional staff meetings have been held. Secretariat Task teams and task forces headed by programme officers have been established to promote cross-divisional cooperation on issues related to access to genetic resources and benefit-sharing, forests, economics and knowledge management. Regional and subregional focal points have been designated to enhance the dialogue between Parties and the Secretariat. Focal points of major groups have been also designated. The minutes of all staff meetings are shared with all staff.

D. Greening the operations of the Secretariat

89. A Secretariat internal task force was established in September 2006 to review all activities and recommend measures to minimize the environmental impact of the Secretariat activities. A Greening Awareness Bulletin is distributed to all staff. In March 2008, the task force finalized its report in support of the Memorandum of Understanding between the Secretariat and Nobel Peace Laureate, Dr. Wangari Maathai of the Green Belt Movement which was signed in November 2006 and financed through a voluntary contribution of US\$ 10,000 offered by the Chief Executive Officer of the Global Environment Facility (GEF).

90. In May 2007, a three-year contract was signed between the Secretariat and MKI Travel and Conference Management Inc., which includes in its article 7 commitment and support of the Secretariat’s Special Greening Initiatives. The Secretariat was among the first United Nations agencies to endorse by formal correspondence addressed to the United Nations Secretary General on 14 June and 16 July 2007, the Carbon neutral initiative. In September 2007, the Secretariat made a major contribution to the UNEP Environmental Management Group work with respect to the C-neutrality and sustainable procurement initiative. The Secretariat also announced its commitment to join the United Nations “C-neutral club” and provided input to the GHG Inventory Information Questionnaire.

91. The environmental impact of the eighth meeting of the Conference of the Parties meeting, held in Curitiba, Brazil, has been offset by planting 8 million trees through an agreement signed on 31 March 2006 with Roberto Richao, the Governor of the Brazilian State of Paraná. An agreement to contribute to the implementation of the Greening Strategy of the Secretariat for the period 2007-2010 will be signed with Governor of Paraná at the margins of the high-level segment of the ninth meeting of the Conference of the Parties.

E. Office rent and space

92. The Secretariat has been paying a substantial amount in office rent, which has been risen in United States dollar terms with the recent strengthening of the Canadian dollar against that currency, leading to a total of more than US\$ 200,000 over the period January 2006 to December 2007 being lost due to exchange rate fluctuations alone. This has had a serious impact on the Secretariat budget for 2007.

93. A meeting between the Executive Secretary and the Minister of Foreign Affairs of Canada was held on 4 October 2006 in Ottawa to discuss issues related to host agreement obligations including security related issues owing to the location of the Secretariat in a commercial building. It was followed by two meetings with senior officials of the Ministry of Foreign Affairs held in March 2007. Meetings were also held with the CBD focal points of Canada as well as with the Government of Quebec. As a result, the outstanding issues are being addressed by the host country.

94. A security assessment of the offices of the Secretariat was conducted by the Ministry of Foreign Affairs. Meetings with the Mayor of Montreal were held in February 2006, February 2007, March 2007 and May 2007, leading to the signature of a long term Memorandum of Understanding with the Mayor of Montreal on 22 February 2007. Support to the Convention on Biological Diversity was included as an objective of the multi-year sustainable plan of the City of Montreal.

95. To enhance the dialogue with all relevant Canadian authorities, an informal SCBD host country committee was established in June 2007, comprising of high-level officials, including representatives from the Ministry of Foreign Affairs in Ottawa, the Ministère des Relations Extérieures et du Développement Durable du Québec, the City of Montreal, Montreal Botanical Gardens, Montreal International, as well as the Canadian focal points for the Convention and SBSTTA. The meeting discussed: office space, office rent and the elements of a long-term strategic partnership, among others. A follow up meeting with the representatives of the Ministry of Foreign Affairs was held on 17 March 2008. With all the vacant posts filled, the Secretariat office space is noticeably becoming a problem. Pending a long term solution, the Secretariat re-arranged the existing space to create an additional 17 work stations to accommodate the Secretariat needs.

96. Since its establishment in 2006, the Museum of Nature and Culture located at the headquarters of the Secretariat has received 31 donations. The donations are duly recorded by the Secretariat and an annual inventory accompanied with photos is sent to the United Nations Office of Legal Affairs and the Office of the Executive Director of UNEP.

F. Enhancing accountability and transparency

97. At the request of the Executive Secretary in January 2006, and in order to assist in the discussion of the next biennium budget of the Convention, an audit of the Secretariat was undertaken in February 2006, with the report presented to the Conference of the Parties at its eighth meeting as an information document. Most of the audit recommendations have been addressed. In response to decision VIII/31, and in accordance with article 14 of the Financial Rules, an audit of the Secretariat's finances was carried out between 26 March and 11 April 2008 by the independent United Nations Board of Auditors. The report will be submitted to the Conference of the Parties at its ninth meeting.

98. A request for an audit in 2010 by the United Nations Board of Auditors has been already made with a view to submitting the findings to the tenth meeting of the Conference of the Parties. In addition, open dialogue with focal points of the Convention has been initiated through organized regular visits to the headquarters of the Secretariat. During the reporting period, seven focal points and two Presidents of a regional group paid a one-day organized visit to the Secretariat.

IV. ACTION BY THE CONFERENCE OF THE PARTIES

99. The Conference of the Parties may wish to consider the following draft decision:

The Conference of the Parties,

Notes with appreciation the measures taken by the Executive Secretary to enhance the efficiency and performance of the Secretariat,

Welcomes the submission for the first time of the report by the independent United Nations Board of Auditors appointed by the General Assembly on the accounts of the Convention,

Noting the recommendation of the Office of Internal Oversight Services and the importance of further strengthening of the financial management of the Secretariat,

1. *Requests* the Executive Secretary to submit to the Conference of the Parties at its tenth meeting an audit report by the United Nations Board of Auditors for the period 2008-2009;

2. *Requests* the Executive Secretary to liaise with the United Nations Environment Programme (UNEP) with a view to exploring the feasibility of applying the results-based management concept and particularly the result-based budgeting to the work of the Convention, taking into account the practices of UNEP and other organizations and to report to the Parties at its tenth meeting;

3. *Requests* the Executive Secretary to liaise with the Executive Director of UNEP to enhance the support of the host organization through programme support (OTL) funds to implement the recommendation of the Office of Internal Oversight Services on the need to further strengthen the financial management of the Secretariat.

4. *Recalling* paragraph 21 of decision VIII/31, *endorses* the procedure set out in the annex hereto for the allocation of funding from the Special Voluntary Trust Fund (BZ) for Facilitating Participation of Parties in the Convention Process, to developing countries, in particular the least developed countries and small island developing States amongst them, as well as Parties with economies in transition, to secure adequate representation from each region.

*Annex***PROCEDURE FOR THE ALLOCATION OF FUNDING FROM THE SPECIAL VOLUNTARY TRUST FUND (BZ) FOR FACILITATING PARTICIPATION OF PARTIES IN THE CONVENTION PROCESS**

1. The procedure for the participation of eligible delegates in CBD meetings should aim at ensuring adequate geographical representation of all eligible regions with priority given to least developed countries and small island developing States and shall continue to be guided by the established United Nations practice.
2. The procedure should aim at the fullest possible participation as the representation of developing countries and countries with economies in transition will enhance the implementation of the Convention at local, national, regional and international levels.
3. Donors are strongly encouraged to increase their financial support so as to ensure adequate geographical representation of eligible regions.
4. Donors are strongly encouraged to pledge financial support for the participation of eligible countries as early as possible and preferably no later than three months before the meetings.
5. The Secretariat shall notify Parties as soon as possible and preferably six months in advance, of the dates and venue of the CBD meetings.
6. Following the dispatch of a notification, eligible Parties shall be invited to inform, through official channels of communication, the Secretariat as soon as possible and no later than three months before the meeting whether funding is requested;
7. Based on the availability of financial resources and the number of requests received, the Secretariat shall prepare a list of sponsored delegates which will be distributed for information to the Bureau. The list shall be established with a view of ensuring adequate geographical representation of eligible regions with priority given to the least developed countries and small island developing States;
8. In accordance with paragraph 22 of decision VIII/31 of the Conference of the Parties, the Secretariat shall, four (4) weeks in advance, notify the eligible countries that would not be sponsored, inviting them to seek other alternative sources of funding.
9. The Executive Secretary is invited to continue liaising with the Executive Director of UNEP with a view to ensuring a waiver on the 13% administrative charges on the Trust Fund to facilitate the Participation of Developing Countries with the understanding that the additional money secured will be used to enhance the geographical representation of eligible regions.
