INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH

EC-XIX & CoP-XI

June 29 – July 2, 2004
Buenos Aires, Argentina

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Minutes of the Eighteenth of the IAI Executive Council (EC)
San José, Costa Rica
December 4-5, 2003

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Note: This report is not a strictly chronological record. For completeness, greater clarity and readability the IAI Directorate has grouped discussions of an agenda item together under the first occurrence of the topic.

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18th Meeting of the IAI Executive Council (EC)
December 4-5, 2003 – San José, Costa Rica

DRAFT AGENDA

Thursday – December 04, 2003	**Day 1**

- Morning session (08:30 – 12:30) -

08:30 - 9:00 Registration

Opening ceremony
   Representative of Costa Rica
   EC Chair: Antônio Mac Dowell

Approval of the Agenda

Approval of the Report of the 17th Meeting of the EC

Report of the EC Chair: ***A. Mac Dowell***

Request of the IAI Director for participation at an external Panel of experts.

10:30 – 10:45 Coffee Break

Report of the IAI Directorate: ***Gustavo V. Necco and the IAI Staff***
   • *Overview from the IAI Director (Gustavo V. Necco);*
   • *Scientific progress and results emerging from IAI funded projects (Gerhard Breulmann);*
   • *Audit Report of the Financial Statement as of June 30, 2003 and Financial Status as of September 30, 2003 (Silvio Bianchi);*

12:30 Lunch

- Afternoon session (02:30 – 05:30) -

Report of the IAI Directorate (cont.):
   • *Overview of the Training , Communicatiosn and Outreach areas (Marcella Ohira Schwarz).*

Approval of the Auditors Report of the Financial Report as of June 30, 2003

Report of the Working Groups /Committees:
   • *Scientific Advisory Committee (SAC)..Walter Fernández*
   • *Standing Committee for Rules & Procedures..................................Louis Brown*

04:00 – 04:15 Coffee Break

   • Financial and Administration Committee (FAC)........................... *Vanessa Richardson*
   • Ad-Hoc Committee on Relations with Member States.....................*A. Mac Dowell*

Friday – December 05, 2002	**Day 2**

- Morning session (09:00 – 12:00) -

Functions of the EC Bureau and each of its members   ***A. Mac Dowell***

Report on joint meeting SAC/EC (EC and SAC Chairs)

New initiatives

Approval of the Action List of day 1   ***A. Mac Dowell***

Future sites and meetings

Adjourn

- <u>Afternoon session (02:30-04:00)</u> -

Meeting between the EC Chair and the IAI Directorate as necessary.

Meetings of Working Groups as necessary

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1.   Opening Session

Mr. Allan Flores, Vice-Minister of Environment and Energy from Costa Rica, welcomed the participants to the meeting and wished them a fruitful meeting. He reported on the activities of his Ministry related to global change and on the active participation of Costa Rica in the IAI. He mentioned that the environment is one of the cornerstones in the development strategy for Costa Rica. He renewed the commitment of his country to the IAI on behalf of the government and the people of Costa Rica and expressed his willingness to continue interacting with the Institute.

The EC Chair, Prof. Antonio Mac Dowell thanked the government of Costa Rica for hosting the meeting and the EC representatives for their attendance.

Dr. Gustavo Necco, IAI Director, also thanked Costa Rica for hosting the meeting and spoke of the IAI as a cooperative effort from the countries of the Americas to foster global change research and described briefly the activities of the Institute during the last 10 years in terms of research, training, education and capacity building and cooperation with other organizations. He also mentioned the budgetary constrains of the Institution due to economic crisis in many member countries resulting in arrears and asked for the cooperation of the EC in order to overcome this difficulty. He also wished the participants a fruitful meeting.

Participants at the meeting were:

EC Country Representatives

- Argentina: Carlos Ereño
- Brazil: Antônio Mac Dowell
- Canada: Michel Béland
- Costa Rica: Eladio Zárate
- Cuba: Bárbara Garea Moreda
- United States: Margaret Leinen
                   Paul Filmer
                   Vanessa Richardson
                   Louis B. Brown

IAI:

- Directorate: Gustavo Necco   Gerhard Breulmann   Silvio Bianchi
                 Marcella Ohira Schwarz
- IAI SAC: Walter Fernández
  Support: Patrícia Pinheiro   Elvira Gentile

2.   Approval of the Agenda

The EC approved the agenda of its Eighteenth Meeting with two additional topics:
1. the request of the IAI Director to participate in a WMO panel of Experts on Education and Training
2. the discussion about the functions of the EC Bureau and each of its members *(Action 1–Day 1).*

3.   Approval of the Report of the 17 EC Meeting

The EC approved the Report of its 17th Meeting with no modifications *(Action 2 – Day 1).*

4.   Report of the Executive Council Chair

The EC Chair, Antônio Mac Dowell, informed that the EC Bureau had discussed the issues pending from the EC-XVII and the CoP-X (Boulder, USA, June 2-5, 2003) through three teleconferences:

1. Functions of the EC Bureau: according to Action 7, day 1 from EC-XVII, the Bureau revised the initial document and finalized the new version for EC approval.

2. Ad Hoc Committee on Relations with Member States (established by Resolution from CoP-X, Action 7, day 2). The EC Bureau defined the composition of the Committee:
    - CoP representative: Adrián Fernández (Mexico)
    - EC Representative: Bruce Angle (Canada)
    - SAC Representative: Michael Brklacich
    - PI's representatives: Michael McClain (USA) and Alberto Piola (Argentina)
    - EC Chair: Antônio Mc Dowell
    - IAI Director: Gustavo Necco
    The EC Bureau received with appreciation the offer form the USA to fund the travel costs of the Committee members.

3. Performance and Appraisal scheme for the IAI Director. Although this issue was not discussed during CoP-X, it is a duty of the EC Bureau. The EC Bureau requested the Director a draft plan for next year. This document was discussed and modifications were proposed.

On December 2, 2003, the EC Chair and the SAC Chair met to discuss about the **joint EC-SAC meeting** *(Action 8, Day 2 of CoP-X).* After discussions, it was decided that before a joint meeting, it would be necessary to ask Member Countries about their global change priorities. The EC Chair informed he was preparing a letter to send to all member countries.

The EC endorsed the proposal of the EC Chair and the SAC Chair of sending a letter to the highest level possible in each IAI Member Country requesting country priorities on global change research. This letter will include information regarding the funds that the IAI has invested in each country in terms of research, training and capacity building. An IAI anniversary book will also be sent together with this letter. *(Action 5 – Day 1)*

On December 3, 2003, the EC Bureau met in San José, Costa Rica prior to the EC meeting and discussed the following issues:
1. IAI Financial status. Some aspects of the financial status were discussed, particularly, its effects in long term commitments. It was recommended that this issue be dealt at the FAC meeting.
2. Difficulties with three CRN projects. It was decided that the IAI Director present these issues at the EC meeting. The EC Bureau suggested that the Director include an item in the agenda regarding the document "Suspension and Termination Procedures for IAI Projects", approved by the CoP.
3. Ad Hoc Committee on Relations with Member States: The EC Bureau recommended that the letter to be sent to the Member States requesting their priorities on global change research also include information regarding the benefits the countries have received from the IAI (according to Action 5, day 2 of EC-XVII).
4. Agenda of EC-XVIII. The EC Bureau suggested the inclusion of two items: one regarding the functions of the EC Bureau and the other regarding a request from the IAI Director to participate at a WMO Panel of Experts.

5. Evaluation of IAI Director: The EC Bureau discussed with the Director the implementation of his annual performance appraisal scheme.

The EC approved the request from the IAI Director to participate in a WMO Panel of experts on Education and Training. *(Action 3 – Day 1)*

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5. Report of the Directorate

The IAI Director explained that his report covered the period from the XVIIth EC meeting in Boulder (June 2003) and that the IAI Directorate report would be presented by himself and the IAI Officers. Gerhard Breulmann would present the Science Activities; Marcella Ohira Schwarz would be in charge of Communications, Training and Outreach issues and Silvio Bianchi would present the Financial Report.

Overview from the IAI Director

The IAI Director, Gustavo V. Necco, gave an overview of his report to the EC (Document 3_ECXVIII/DID/English/November 13, 2003):

As suggested at the previous EC meeting, the Directorate actions and activities were based on the six major strategies proposed by the Scientific Advisory Committee and endorsed by the EC-XVI:

1) consolidation and enlarging of the CRNs by encouraging integration, by increasing funding through external sources or in-kind support and by fostering links and interactions with other regional and international projects;
2) regular renewal for project requests and the definition of new science agenda giving priority to projects clearly focusing on integrating global change research with sustainable development;
3) targeting of scientifically weak member countries for more sustained and focused capacity-building efforts;
4) facilitation of studies synthesizing and assessing the state of knowledge of issues vital to the region and to under-studied sub-regions;
5) improvement of IAI's capabilities to disseminate research results – through more publications and media ensuring their regional availability to decision makers and the public;
6) increase of IAI profile by expansion of its activities to include offering of expertise, information contacts to other institutions in the region and offering to administer appropriate projects for outside agencies and organizations.

IAI plans and activities were based on these strategies plus recommendations made by the Working Group for Increasing Country Commitment to the IAI in its final report. In particular, those related to the fostering and reactivation of MoU/agreements; the promotion of IAI meetings in countries that are not part of EC, and the diffusion of IAI activities.

Recommendations from EC-XVII
- To study the implementation of a trust fund to cover delegate's travel to EC/CoP meetings, in case of a positive CoP decision. *No actions were taken as CoP-X reaffirmed a previous EC recommendation that "travel expenses of country Representatives to meetings of the EC and CoP continue to be the responsibility of country members".*
- To prepare national portfolios for all IAI member countries showing the benefits received by their countries in terms of research, training and education and capacity building. *Available through the IAI web site. Hard copies were provided to representatives of Argentina, Chile, Paraguay and Dominican Republic.*
- Charged the IAI Director with developing a strategy to solve the problem of outstanding contributions in a year term.

Visibility of IAI
Practically, all the staff was involved in increasing the Institute's visibility. During the period covered by the report, several visits to institutions were performed, there was an active participation of members of the IAI staff

in various events presenting the activities and programs of the Institute, and support was provided to several activities of sister Institutions.

Local visibility
A series of conferences was initiated on subjects related to global environmental changes issues and delivered, in Portuguese, by invited Brazilian scientists related to IAI and taking place at the INPE´s Auditorium. The idea is mainly to encourage the interaction among these Brazilian scientists and to obtain more visibility of IAI within the Brazilian scientific community, in particular at INPE. Two conferences were announced through different means, including the INPE web site and Intranet. The first one took place on Friday 29 on the subject "O papel do IPCC (Intergovernmental Panel on Climate Change) na Convenção - Quadro das Nações Unidas sobre Mudanças do Clima" and was delivered by Dr Thelma Krug. The second conference on the subject "Simulações do clima e sua variabilidade com o Modelo de Circulação geral do CPTEC - aplicações no projeto PROSUR / IAI" was delivered on 26 September by Dr. Iracema F.A. Cavalcanti, INPE/CPTEC. Both conferences were attended by more than 40 professionals from INPE, CPTEC, UNICAMP and students. Two additional conferences are being planned for March and April 2004, they will be delivered by Dr. Luci Nunes, UNICAMP and Dr. Maria Assunção Dias (newly appointed Director of CPTEC).

Agreements with other organizations
- MoU between the IGBP and IAI was discussed and agreed. Official signature on November 30th during the IGFA Annual Meeting in Cape Town, South Africa.
- Involvement in two ENRICH bids (about 0.8 million Euro each) supported by the EU Framework 6 for a Specific Support Action: *Project entitled "An Integrated Pan-Amazonian Contribution to the ENRICH" (PANAMAZONIA)" and CLARIS Project.*
- MoU under discussion with the OAS.
- Discussions with UNDP to formalize an agreement to support future IAI training and education activities.

Newsletter
- Latest releases issued on time
- Escalating distribution costs
- Alternatives are being considered to reduce production and distribution costs and to improve the efficiency of distribution.

Internal Issues:
Regarding internal Directorate matters, the review of the staff job descriptions was finalized. In parallel, the staff annual objectives and related tasks for the fiscal year 2003/2004 form the basis for an annual performance appraisal scheme (PAR), simple but complete enough to allow for a proper evaluation of the staff performance and identification of their training needs. Based on the results on the evaluation of the training needs expressed by the staff a training plan is being developed to optimize the available funds for this purpose Some procedures were also established for a better financial follow-up and control of activities as well as of staff travel. In the Financial and Administrative area, since last May the Directorate has a professional accountant working with the Financial and Administrative Officer replacing the former Financial Assistant. This change allows increasing the involvement of the AFO in the financial monitoring of the research grants managed by the Directorate. The Directorate also worked in supporting the visit of NSF auditors and the regular annual financial audit.

The Director also mentioned the issue of the contracts of local staff through INPE/FUNCATE. FUNCATE announced, at very short notice, that in order to reduce costs, it planned to fire the present staff and hire new employees with lower salaries. He informed the IAI Directorate was trying to negotiate a solution.

− *Costa Rica, (E. Zárate) asked about the possibility of a replacement of all the local staff in January 2004.*

− *The IAI Director answered that the situation was very difficult and that they would try to negotiate with all the parties involved: Funcate, INPE and IAI. He mentioned that the Foundation had been somewhat rigid and had acted without consultation and at a very short notice. In case the local staff is dismissed, the IAI will have to face a big shock; a lot of time and money invested in working skills, training, job descriptions, etc, will be lost and that will mean starting the local staff training and adaptation to IAI work all over again.*

− *Brazil (Antonio Mac Dowell) stated that Brazil would fulfill its obligations according to the Agreement and assured that this unfortunate situation would not occur.*

Status of CRN Projects: The IAI Director referred to three CRN Projects that merit special comments and need follow-up actions:

- CRN-038: as reported in the previous EC this project is in an "impasse". The PI and CoPIs have resigned, as they do not agree with the continuation of the grantee as the recipient institution, in spite of the reconciliation efforts made by the Directorate. With the resignation of all scientists involved there is no realistic possibility to continue this effort and the IAI Directorate recommends to the EC the termination of the project.
- CRN-062: the project faces some management problems: 8 months delay in submission of report Year 2 and 10 months delay in submission of report Year 3. A previous external (scientific) mid-term evaluation rated this project very good to excellent. The Chilean CoPIs withdrew from the Project. The SO joined the meeting of the project EC held in Lima, 28-29 October 2003, where the CoPIs agreed on major immediate improvements in order to assure the continuation of IAI support.
- CRN-031: this project also faces some delays. Unfortunately the PI, Dr. Eduardo Franco, has recently passed away and a meeting of CoPIs (with the participation of the CRN Manager) was held during the first week of November designating Dr Alan Lavell as the new PI and agreeing on the future work plan of the project

Mobilizing resources and support: The IAI Director presented an analysis on a global strategy to attract funds from other institutions or to sensitize contributors to pay their arrears which includes different options: a consistent profile; intensive publicity/visibility program; looking for partnerships proactively; leveraging on the funds. He also commented on different alternatives for the expansion of resources (international assistance, donated professional services, potential donors, etc.).

Future activities
- Improving visibility & interactions with global change related institutions
- Resources mobilization
- Finalization of SGP-I, implementation of SGP-II, finalization of CRN, planning of the future CRN-II and the possibility of a continuation of the SGPs (with a revised aim, as this program should not address the creation of CRNs after launching CRN-II). Program Manager position
- Synthesis of scientific programs (ISP-I and ISP-II)
- Continuation of training activities (two Summer Institutes – Vulnerability in SA, urbanization & GC; joint activity with IHDP on food systems/security ; training event on administration of projects)
- Updating of ITC soft and hard
- Strengthening of DIS

Finally, the IAI Director presented two proposals to the EC:

- To use the next CoP to celebrate the 10th Anniversary of the entry into force of the Agreement of Montevideo (1994) to organize, instead of a Science Forum, a day for high-level representatives and delegates from IAI member countries to take stock of the IAI activities during the last decade and to propose/discuss priorities for the future, taking into account national and regional needs

- To hold the second 2004 SAC meeting in parallel with the next "Regional Conference on Global Change: the Latin American Perspective", being organized by USP in Sao Paulo from 10 to 13 November 2004. This may give an opportunity to SAC members, together with Latin American scientists attending the conference, to consider and discuss these priorities in the light of the national and regional scientific capabilities

The EC representatives thanked the IAI Director for his comprehensive report and made some comments:

- *Cuba (Bárbara Garea) asked if the IAI Director met governmental representatives apart from the IAI representatives when he visited IAI member countries and if any example of debt swap had been discussed. She emphasized the importance of reaching high decision levels in member countries and not only scientific organizations. She also recommended that an IAI Anniversary book be sent together with the EC Chair letter asking for country priorities (see Action 5, Day 1).*
The IAI Director answered that although the report might seem biased to science, he always tried to meet high level representatives whenever he could. As example, he mentioned that in Buenos Aires he had met

the Secretary of Science and Technology and had discussed with him about a debt swap for Argentina (Argentina would pay the distribution costs of IAI newsletter and it would be compensated against core budget contributions).

- *Canada (Michel Beländ) made some suggestions on the format of the IAI Directorate Report: present the information on activities according to the SAC strategies and in case of attendance to meetings, indicate briefly who attended and what was achieved. In the case of efforts to persuade countries to pay their contributions to the core budget, he suggested reporting activities by member state indicating what was achieved or improved. Finally, he asked the IAI Director to indicate different ways in which the IAI representatives could help him to achieve higher involvement of IAI member countries*

- *USA (Paul Filmer) echoed some of the comments from Canada and Cuba and also suggested that the Directorate report be structured around the six SAC strategies. He also recommended to maintain the presence of IAI in countries with economic difficulties or with little or no participation in the Institute and expressed the support of the USA to the two recommendations presented by the IAI Director.*

> The EC made some suggestions on the format of the IAI Directorate report: to present the information regarding visits, interviews, mobilization strategies, etc. by Member State indicating what was achieved or improved in each case and, to better link the activities performed with the six guiding strategies proposed by the SAC. **(Action 4 – Day 1)**

- *Argentina (Carlos Ereño) expressed that Argentina, Méxic,o and Venezuela are the main debtors and the IAI Directorate should concentrate all efforts to persuade these countries whose contribution is essential for the existence of the IAI. He recalled that in the last EC meeting in Boulder, the EC had decided to postpone an increase in contributions for one year to wait for mobilizing strategies. He said that the visit of Dr. Necco to Argentina had been very positive because they had reached the highest governmental authority. He informed Dr Necco had discussed with the Secretary of Science and Technology the issue of debt swap with the distribution of IAI Newsletter but unfortunately, at present Argentina cannot afford that cost. However, Argentina showed its commitment to the Institute by offering to host the next CoP meeting.*

- *Costa Rica (Eladio Zárate) agreed with the priority focus expressed by Argentina. He also added that there are some countries interested in joining the IAI (e.g. El Salvador) and suggested identifying potential new members. He asked about the situation of the IAI DIS in face of the constant technological changes. The IAI Director answered that they were concentrated in updating hardware and software and mentioned that the updating cost is extremely high.*

> The EC recommended that the IAI Directorate, when planning visits and activities, focus primarily in those countries whose outstanding contributions are crucial for the existence of the IAI and also in those countries that were not fully integrated to the Institute. In all cases, efforts should be made to reach the highest decision levels possible. **(Action 6 - Day 1).**

> The EC recommended that the IAI Directorate have a closer relationship with UN organizations and other governmental or non governmental organizations working in the region. **(Action 7 – Day 1)**

Overview of the Science Programs

The IAI Scientific Officer (SO), Gerhard Breulmann reported on the progress of the scientific area since the last EC Meeting (June 2003). He explained that there was not new information on CRN Projects (except those with difficulties mentioned by the IAI Director) because they submit annual reports.

Update on IAI programs:
- PESCA & ISP III remaining funds – used in training and education activities
- SGP I
  - Supports 16 projects (US$ 380 K)
  - Delay in remittance of funds to projects
  - Program ends October 2003 (reports due January 2004)
  - Progress report in June 2003

    –   Some late no-cost extension requests by PIs

The SO informed that NSF had granted a no-cost extension until October 2004

2nd round of SGP
- Call launched: 18 June 2003
- Deadline for submission: 18 August 2003
- Program budget: US$ 640 K *(incl. program admin.)*
- Grants: Max. US$ 30K *(approx. 20 projects)*
- Proposals received: 88   *(US$ 2,512,527)*
    - Eligible: 86
        - Research   41
        - Workshop   42
        - Technical Report   3

SGP II Peer Review process
- 'Regular' IAI 3-step peer-review
    - Mail Review
    - Panel Review, 20–22 October 2003, Sao Jose dos Campos, Brazil
    - SAC Evaluation, 3-5 November 2003, Santo Domingo, Dominican Republic

Panel Review:
- 7 panelists (4 external & 3 SAC)
- Each proposal assigned to 'lead panelist'
- 5-step rating scale: poor (=1) – excellent (=5)
- All proposals > 3 'fundable'
- 48 proposals ranked as 'fundable' *(US$ 1,369,361)*

SAC evaluation
- Confirms appropriateness of 3-step peer-review
- Recommends 22 proposals for funding *(US$ ~612K)*
- Details by the SAC Chair in his report

Streamlining of IAI proposal process
- Annual Call for Small Grants *(possible also in 'CRN years'?)*
- Timing *(N/S Vacation, SAC/EC, IAI Newsletter)*
- Duration of Small Grants be extended to 18 months
- Web-based application system
- Thematic Focus ? *(if not in preparation for CRN)*
- Earmark some funds for young/early career scientists

Second Round of CRNs
The SO mentioned the following issues to be taken into account for a CRN II:
- Timeline (incl. SGP) to be drafted by Scientific Officer
- Launch during 1st half of 2004 – projects to start in 2005
- Application procedure:
    - Call for Letters of Intend in early 2004 (review by SAC)
    - One PI – one proposal (plus 1 x Co-PI)
    - minimum participation of 4 IAI member countries
    - SAC will encourage 35 PIs to develop full proposals (intention to fund ~ 10). Other PIs will be discouraged but not disqualified
    - Full proposals: → 3-step peer-review
    - Only parties who submit LOI are eligible to submit full proposals
    - Conditional Funding for 5 years (pending satisfactory mid-term evaluation after year 3).
    - All projects to start at the same time (*e.g., within 2 mths*)
    - Subcontracts to be signed with Co-PIs before release of any funds

Report on Young Scientists Conference:
- 16-19 November 2003, Trieste, Italy
- 1000+ applications, 640 eligible, 80 selected
- IAI region: 145 applications *(81 LA, 64 NA)*
- Participants from IAI region: 33 *(Argentina, 4; Brazil, 2; Canada, 3;Chile, 1;Mexico, 1;USA,22)*
- 6 Prices *(Paul Crutzen Price & five recognition certificates), IAI participants from Argentina received Paul Crutzen price plus one recognition*

– *Cuba (B. Garea) thanked the SO for his presentation and suggested that in future meetings the EC delegates have a written report prior to the meeting. She suggested including in the report some statistics on the analysis of the percentage of 'fundable' proposals funded, percentage of funded projects in each group of proposals (research, workshops and technical reports), countries that submitted proposals, PI's nationality, etc. She expressed her concern that the IAI activities are concentrated in some countries, like in 1997/98 when proposals only came from USA, Brazil and Argentina, and said that the IAI had to modify this situation. She also noted that Argentina and México, in spite of being the main debtors, have many approved projects; and said that this fact indicates that all countries receive benefits from the IAI and it should be informed to the national authorities. She also suggested analyzing the impact of the summer institutes in the presentation of proposals and the number of PIs and Co-PIs to see if the IAI network can attract new participants.*

– *The SO agreed with the delegate form Cuba and said that that kind of statistics was very valuable, however time constrains prevented him from including such kind of analysis in the report. He informed that the issue of country distribution, new groups, etc. was considered by the SAC in the final selection. The issue of low participation of some countries might be due to different reasons: lack of experience in writing proposals, lack of information, problems in writing in English. They would need to analyze what happened with the five countries that have not sent proposals.*

– *Argentina (C. Ereño) said that in Argentina they had prepared a database with institutions and scientists that is included in the IAI listserv. This might explain the high response of Argentine scientists to IAI calls. He asked about the number of scientists from small countries in the IAI listserv. The SO answered that he was not sure if with the current system it was possible to answer that question, but he would ask the IT Manager to identify e-mail addresses from those countries*

– *USA (P. Filmer) expressed his satisfaction because the peer review process continued in good operation of the IAI and asked about statistics of returns: how many people that had been declined by the IAI has come back the next time. This is valuable because it tells about the quality of the information the IAI is giving back to PIs on the reasons they were declined the first time. He said he had discussed this issue with the SO. He also said he would like to discuss the issue of CRN I mentioned by the IAI Director in his report. He asked for Information on how the experience with the issues arisen in CRN I had modified practices at the Directorate to ensure both the scientific and the financial management and how that affected the new SGP II under way and future initiatives.*

– *The IAI Director informed that they had considered the previous experience in the design of SGP II: the forms were better structured; they were stricter with timelines and deadlines for presentations for scientific and financial reports. They had also discussed how to deal with delays in presentations of reports and was all included in the SGP II forms.*
– *The SO added the application process had been improved significantly and clear guidelines have been produced. Proposals are now submitted electronically and a standardized format is required. This does not only make it easier for the proponents to prepare and submit proposals but also has great advantages for the peer review. The presentation of reports had also been standardized. He said that during CRN I most problems were due to administrative difficulties and not to scientific issues. He informed that they worked continually in the improvement of procedures and said that suggestions would be welcomed.*

– *Canada (Michel Beländ) suggested for CRN II to include in the announcement the policy link issue, so that proposals with the potential for direct policy impacts in the participating countries and beyond can be identified. The SO agreed it with the suggestion and added that in the SGP II announcement this has already been implemented and the PIs were requested to state any potential policy implication of their proposal and this fact was welcomed by the reviewers especially the SAC.*

Overview of the Training, Communications and Otreach Area.

The IAI Training, Communications, and Outreach Officer (TCOO), Marcella Ohira Schwarz, reported on this area. She stated that the main goal was to augment capacity building in the Americas and this was achieved through different mechanisms: graduate fellowships, support to short-courses, workshops, etc.

She gave a comprehensive report on IAI Summer Institutes:

Motivation: IAI was well known for its SIs 1999-2001 and further work to continue to:
- Foster Human Dimensions Research;
- Encourage Multidisciplinary Research;
- Promote collaboration between natural and social scientists;
- Foster multinational collaboration and the development of IAI Human Networks;
- Reach out to new groups, people, institutions (professionals, policy makers…);
- Promote Science/Policy Interface.

Design
- Regionally relevant global change themes (sub-regions: Amazon, C.A. & Caribbean - encourage participation of all IAI countries);
- Based on institutional, programmatic and financial partnerships with other organizations;
- 1-2 Coordinators (science leaders);
- 10-15 Invited Guest Lecturers per SI;
- Duration: 2 weeks;
- Location: IAI member countries;
- Participants: average of 20.

- *2003 Summer Institutes:*

1. IAI Summer Institute on Vulnerability Associated with Climate Variability and Change in Central America and the Caribbean
Date: October 26-November 7, 2003   *Site:* Dominican Republic
Objective: To strengthen local, regional capacity to deal with vulnerability associated with climatic variability/change & risk management
Coordinator: Dr. Luis José Mata, Center for Development Research (ZEF)
Fundraising and Partnership Efforts:
- United Nations Development Programme (UNDP) **$ 60K**
- Interamerican Agency for Cooperation & Development (IACD)/Organization of American States (OAS) **$ 20K**
- United Nations International Strategy for Disasters Reduction (ISDR) **$2.5K**
- Centro de Investigación y Estudios Superiores en Antropología Social (CIESAS) **$2.5K**

Participants: 25 from 13 countries - all IAI countries from C.A. & Caribbean
Total cost of SI: **US$ 110K**   *IAI financial contribution:* **approximately US$ 25K**

2. IAI Summer Institute on Land Use and Cover Change in the Amazonian Region: Patterns, Processes and (Plausible Scenarios)
Date: October 12-24, 2003   Site: Cachoeira Paulista, Brazil
Objective: To catalyze stronger interactions among academics, stakeholders, and decision-makers from the countries sharing the Amazon with respect to theories, models, methods, state policies and local initiatives to capture the benefits and mitigate negative environmental and social impacts of LUCC.
Coordinators: Diógenes Alves (INPE), Stephen Perz (University of Florida)
Fundraising and Partnership Efforts:
- LBA **$ 3K**
- INPE/CPTEC (facilities, equipment, lodging, data, local transportation)
- Administration of resources by APLBA

Participants: 22 from 6 IAI countries   Total cost of SI: **approximately US$ 30K**

3. IAI Summer Institute on Global Warming and Climate Changes: Mitigation Alternatives and International Actions
Date: November 10-22, 2003   Site: Piracicaba, Brazil

Objective: To educate young scientists and policy makers on global climate changes, greenhouse effect, carbon sequestration processes, carbon market and clean development mechanisms and potential mitigation strategies
Coordinators: Carlos Cerri (USP/CENA), Vincent Eschenbrenner (Development Research Institute of France - IRD)
Fundraising and Partnership Efforts:
- IRD (2 staff full time 3 weeks and planning phase, data, material)
- USP/CENA (facilities/equipment, data/material, local staff/transportation)
- Administration of resources by APLBA

Participants: 18 from 11 IAI countries
Total cost of SI: **approximately US$ 35K**

Assessment of IAI Summer Institutes:
- All participants ranked the 3 Summer Institutes "Excellent" or "Very Good";
- Strong interest throughout the region;
- Reaching out to new people;
- Quality and diversity of applications increased;
- Applications from governmental agencies, NGO´s, universities, research centers, etc;
- Participation of 17 IAI member countries (all from Latin America) plus 4 non IAI members;
- Development of IAI Human Networks.

Lessons Learned and the Good News:
- Basic design proved sound;
- Partnership with other organizations has great potential (e.g. UNDP, OAS, IRD, LBA);
- Very successful in fostering IAI Human Network development, multidisciplinary & multinational collaboration and Science/Policy Interface;
- Potential for participation of all IAI countries (especially small countries);
- Potential for strengthening institutional relationships among IAI, member countries and other organizations;
- Need to tie SI with IAI announcements of opportunity;
- Organization, coordination and logistical arrangements require a lot of efforts and human resources.

Lessons Learned and the Bad News:
Very difficult to plan and organize 3 SIs in a year due to:
- limited human resources at Directorate;
- limited financial resources;
- to develop and maintain good relations with other organizations takes a lot of time and efforts (co-planning and co-funding of activities);

Recommendations:
- In order to maintain the high quality level of the IAI SIs the Directorate would require additional resources, especially human to assist in the overall coordination and planning of activities. Otherwise it would be better to reduce the number of SIs per year.
- Rename Institutes: for example "Summer" vs… "Seasonal"

Potential Themes for future institutes:
- Urbanization and Global Change (Mexico)
- Food Systems, Food Security and Global Change (Costa Rica with IHDP)
- Vulnerability Associated with Climate Variability and Change in South America (Paraguay)
- Climate and Health (Jamaica)

- **IAI support to other capacity building activities:**

2003 Open Meeting of the Human Dimensions Community (October 16-18 2003, Montreal, Canada)
- IAI was one of the main organizers;
- Supported 8 participants from Latin America;
- Increased its visibility with the Social Sciences community;
- Strengthen relationship with IHDP, national HD committees and regional networks;
- Although limited funding support ($15K) was provided, IAI received a lot of visibility (open ceremony, acknowledgement in all publications and materials) in great part due to our involvement in the co-planning of the meeting with the International Scientific Committee.

Current Communication Mechanisms (Improvements):
<u>Newsletter</u>: production on time, new ToR editor, interaction between editor and Directorate has greatly improved, more active editorial board, distribution (electronic vs. hard copies), d-base updates, etc.
<u>Website</u>: new information, e.g. IAI prizes and awards, announcements of opportunity, etc.
<u>Listserv</u>: distribution of about 30 announcements in last 5 months to over 3000 people.
<u>Infosheets</u>: production of new infosheets.

New Publications
<u>IAI Anniversary Book (Spanish)</u> - The TCOO reported on the production of the IAI Anniversary Book in Spanish, which was done after the original in English was distributed to the public at the Science Forum in Boulder, USA in June of 2003.

<u>IAI Annual Report 2002-2003</u> - The TCOO reported on the production of the report and circulated a draft copy of the latest IAI Annual Report 2002-2003. The report is basically done and the only information missing is the financial statement and external auditor´s letter. Once this information is provided by the auditors, the report will be printed and available for distribution.

− *USA (Margaret Leinen) congratulated the TCOO for the results of the new courses and emphasized it was a very good strategy to reach new people, increase visibility, etc. She asked if it was possible to obtain some support in human resources from partners in order to maintain multiple activities per year.*

− *The TCOO explained that the limited human resources had been a major obstacle in the planning of the activities. She informed that there were only two people working on this issue at the IAI Directorate, herself and an assistant who is not full time working on Training and Communications. From the previous experience, the partners that provide funds (for example UNDP and OAS) do not want to have the burden of organizational issues. It depends on a case by case basis and on each organization if they want to cooperate just with funds or also with the organizational issues. In some cases, the contribution is already committed for a specific purpose e.g. OAS provided funds for airfare of participants.*

− *An additional issue that the TCOO raised was that it is extremely important to have the conditions to maintain the high quality of the SIs, especially in the development of new collaboration and co-sponsorship with other partner organizations. If IAI does a good job, partner organizations will always welcome the IAI collaboration.*

− *USA (Vanessa Richardson) congratulated the TCOO on the quality of the new publications and suggested that IAI Infosheets be distributed through the IAI Listserv so that they would have a wider dissemination.*

− *Costa Rica (Eladio Zárate) emphasized the importance of these joint activities to improve the visibility of IAI and recognized that it was a heavy load of work. He suggested organizing only two Institutes in 2004 in case human resources cannot be increased.*

− *Cuba (Bárbara Garea), agreed with the importance of the Institutes and publications and recommended to make a follow up of the people that participates in the Institutes so that they can submit proposals and continue working with the IAI. She also mentioned the possibility of giving courses on proposal preparation (perhaps on the internet) in order to reach more scientists and give them the tools to submit proposals to IAI.*

<u>Audit Report of the Financial Statement as of October 31, 2003</u>

The IAI Administrative and Financial Officer (AFO), Silvio Bianchi, apologized for the late distribution of the Audit Report and explained that the auditors had sent the report the day before because the US branch of KPMG had decided to restate all financial statements according to USA guidelines.

He mentioned that the third paragraph of the report referred to an "adjustment to reflect the fair value of accounts receivable and payable…". According the US general agreed accounting procedures, all the financial statements need to reflect the impact of inflation in the receivables and payables. The IAI follows the US Accounting procedures, however, as the IAI is not located in the USA, inflation does not affect financial statements because the IAI receives money in US dollars (from NSF for instance) and it goes directly to researchers. Therefore, inflation in USA does not affect this money, and it was decided not to make any adjustments. Additionally, the

majority of the funds are distributed among countries in Central America and South America where in most cases, the local inflation is lower than the devaluation of the US dollar. The auditors requested to adjust all grants from 1996 to present, but in many cases the funds had been spent, and if not, the researchers would receive the same amount of money transferred to IAI.

− *USA (P. Filmer) asked the AFO if he planned to make some adjustment for the following year so as not to receive the same observation from the auditors.*

− *The AFO answered that he thought of including a note explaining why no inflation adjustments are made.*

As the delegates had not had enough time to analyze this document, the FAC proposed to postpone its approval until the next meeting.

> The EC endorsed the proposal of the FAC to postpone the approval of the *Auditor's Report of the Financial Statement as of June 30, 2003* until its next meeting. **(Action 8 – Day 1)**

> By suggestion of the FAC, the EC charged the IAI Directorate to request the Independent Auditors (KPMG) a letter stating that there were no reportable recommendations to the financial statements. The EC also asked for a written explanation on the specific terminology of the Auditor's report in order to facilitate its review. **(Action 9 – Day 1)**

During the second day of the meeting, the IAI Director announced that the AFO had contacted KPMG and that they would send the letter requested by the FAC. He also proposed that an auditor from KPMG should attend the next FAC meetings in order to clarify any doubt.

Financial Statement as of October 31, 2003

The AFO informed that up to November 30, 2003 the Institute had only received US$ 5K (contribution from Panama). He said that they were expecting the contributions from Canada and the US to achieve 80 % of contributions. He also informed that they had sent a reminder to Mexico but the representative was out of the office and had not replied yet.

The composition of the "Cash and Cash Equivalent" balance as of October 31, 2003 was the following:

	31/Oct/2003	30/Jun/2003
- Cash	4,089	15,634
- Banks	631,124	1,690,655
	635,213	1,706,289

As of October 31, 2003 the balance of the IAI operational funds amounted $278,000. As of June 30, 2003 the balance was $570,000. The IAI operational fund is composed by the accumulated net savings (incomes less outcomes) as of the date the report is prepared. This fund is used to compensate the cash deficits produced during the fiscal year due to the different pace between incomes (contributions from the member countries) and outcomes.

Expenses

	Total Budget	Budget Jul-Oct/03	Actual Expenses	Differences
Salaries and Benefits	541,092	181,305	163,825	**17,480**
Staff Travel	108,600	23,600	25,707	**(2,107)**
Dissemination	98,500	36,500	27,909	**8,591**
Director Funds	75,000	25,000	9,000	**16,000**

Other	115,979	46,147	19,940	**26,207**
	939,171	**312,552**	**246,381**	**66,171**

Salaries and Benefits: There were no changes in the salary structure during the period.
Staff Travel: The amounts spent on air fares and per diems were a little higher than the estimated for this period.
Dissemination: The expenses were within the budget for the period.
The composition of the expenses during the period was the following:
- Newsletter $ 25,000
- Annual Report $ 51
- EC/SAC Visits $ 2,858
Director Funds: Only three activities were supported in this period.
- Support to GSWP Conference $3,000
- Support to Dendrochronology Research Activity $3,000
- Support to IGBP-IHDP Land Open Forum $3,000
Other: Efforts have been done in order to keep the level of expenditures as low as possible.

The AFO then presented the tables with the Cash Flow. He explained that the flow had been prepared assuming that only the contributions from USA, Canada and Brazil (79 %) would be received. The contribution of these countries plus the operational fund (US$ 278K) barely covers one fiscal year, only if expenditures are kept as low as possible.

− *Canada (M. Beländ) said that the 79 % of the operational budget came from 3 countries and that this situation was not sustainable. He recalled that this problem of country commitment has been extensively discussed in previous meetings and that a decision should have to be taken at next CoP.*

− *Argentina (C. Ereño) asked the AFO if they had considered the impact of the reduction in the number of EC and CoP meetinsg. The AFO answered that the elimination of one EC meeting would represent a saving of about US$ 18K in travel and translation costs.*

All delegates expressed their concern about the cash flow of the Institute. The IAI Directorate is reducing activities and is working at a minimum level in order to avoid negative balances. With the present level of contributions the financial status of IAI will be destabilized within two years or so.

− *USA (P. Filmer) asked which the impact was of operating at such low level of activities. The IAI Director answered that there are many implications: additional stress to the staff, impossibility of launching new activities, etc. He stressed that this model is not sustainable in the long run and expressed his concern for the planned activities (new call) that means a lot of work.*

− *USA (M. Leinen) reported that she had been sobered by the presentation of the IAI budget. The current state is that national under- and non-payment to the core budget had led to an annual operation deficit of 20 %. If this situation continues, the IAI will be destabilized in two year's time. Most importantly, she reminded the meeting that the current plan is for the next CoP to approve the CRN-II and then for IAI to distribute an announcement of opportunity that would result in the preparation and submission of proposals for IAI Funding. Dr. Leinen made it clear that she was concerned about proposing CRN-II to the next CoP under the present situation. If the IAI Directorate is operating at an 80 % level, it would impact their ability to manage a CRN-II. Then, if the situation is not corrected so as to enable the Directorate to function at a sustainable level, it may be necessary for the CoP to decide not to undertake CRN-II impinging upon the survival of the IAI.*

6. Report of the Scientific Advisory Committee (SAC)

The Chair of the SAC, Walter Fernández, reported on the 19th meeting of the SAC held in Santo Domingo (document 6). The main topics in his presentation were the following:

Evaluation of proposals submitted SGP-II
• The SAC discussed the mail and panel assessments.

- The review of the scientific excellence, technical soundness, contribution to capacity building and appropriateness of budget have been done by the mail and panel.
- The SAC considered additional aspects, e.g. regional distribution, thematic distribution, new groups, linkages to international programs, etc.

Considering the mail and panel review ratings and its own considerations, the SAC recommends a total of 22 proposals for funding, that have to be approved by the EC (Addendum Document 6).

CRN

The SAC requested the Program Manager to prepare a presentation including: a) additional funds raised by the CRN projects, split into national sources, international agencies and IAI funds; b) number of publications by category; c) peer-review of each project; and d) summary of impact and applications of each project.
The closing of the CRN Program was discussed and a final PI meeting and the synthesis of the CRN research were considered.

The synthesis could be done by themes of the Science Agenda. This synthesis also needs to reflect the contribution of the scientific information produced to the IAI member countries.

Concerning a final meeting it was suggested that the Scientific Officer contact and invite the programs of ESSP or other relevant programs/organizations

Assignment of advisor to CRNs: There will be no changes in the assignment of SAC advisors. The SAC advisory role was discussed

Program Budget

The SAC recommend a split of the program budget (US$ 2600K) into approx. 80% for CRN II and 20% for new groups, i.e., Small Grants Program and Training & Education activities. For the T&E activities partners need to be identified to co-finance/organize courses/institutes.

SGP

In contrast to the past, The SAC recommends having a regular (annual) SGP call. The call should always be launched at the same time of the year.

IAI CRN II

The SAC is convinced about the success of the "CRN approach" and recommends launching a second round of CRNs ideally in the first half of 2004.

The application procedure recommended would differ from previous programs (see details in Scientific Officer Report).
- The call will be fully open.
- Maximum grant would be US$200K/a for five years.
- Active SAC members will not be eligible to participate in the program (as PI or Co-PI).

SAC EC meeting

The idea for such meeting was greatly welcomed by the SAC.
To facilitate the discussions, the SAC suggests that the EC Chair requests the country delegates to specify the country priorities and communicates them to the SAC.
In connection with the point mentioned above, an initial meeting was held on 2 November 2003 in Costa Rica among the EC Chair, the SAC Chair and the IAI Director.
The SAC strongly recommended that after the country priorities have been specified, a presentation be prepared on the applications of the current IAI Science Agenda and how each Theme can address those priorities. Such presentation could also be used for the promotion of IAI in member countries or to interested countries that are not involved in the IAI so far. The presentation will be prepared by the SAC.

SAC Positions*:* The first terms of René Capote, Walter Fernandez, Lynne Hale, and Julia Paegle (all candidates nominated by the countries) are over and open for nominations to the next EC/CoP in June 2004. After collecting suggestions from the SAC members, the SAC Chair will prepare a letter to the EC Chair informing on the needed profile/area of expertise of nominees in order to have a balance of scientific disciplines

SAC recommendations:

- The SAC recommended preparing a synthesis of the impact and contribution to science by all the IAI Programs to demonstrate the achievements of the IAI (to be prepared by SAC). Such effort would likely require some funding.
- The SAC suggests the preparation of a PowerPoint presentation along the lines of the 10th anniversary Book as a tool for IAI promotion. The Book Editor should be approached (by Paul Filmer) on the possibility to prepare such presentation.
- Considering the workload associated with the IAI programs, the SAC strongly recommends hiring a full-time IAI Program Manager to support the Scientific Officer in all projects. This would not be an additional IAI staff, but replace the CRN Manager.

The next SAC meeting is expected to be held in Canada in early May 2004.

During the second day of the meeting, the EC endorsed the SAC recommendation and approved the 22 proposals, totaling US$ 612,701, selected for funding under the second round of the Small Grants Program (SGP II) –. **(Action 1, Day 2)**

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7. Report of the Standing Committee of Rules & Procedures – *Chair: Louis B. Brown*

The Chair of the SCRP, Louis Brown, reported that the Committee was composed of three members (himself, Antônio Mac Dowell and Diego Malpede) and reminded that membership was open to all member countries. He informed that he had sent letters to all IAI representatives inviting them to designate members for the group.

He recalled that the EC-XVII (June 2-3, 2003 Boulder, USA) approved the document 12_ECXVIII/DID/English/ May 20, 2003, containing a recommendation from the SCRP that the IAI set in place a process to amend the Agreement Establishing the IAI in order to reduce the frequency of meetings of both the CoP and the EC. The CoP-X (June 3-5, 2003, Boulder, USA) then agreed that the issue of changing the frequency of meetings should be considered by the CoP-XI and requested the Ad Hoc Committee on Relations with Member States, with the assistance of the Rules Committee, to provide an analysis of the consequences of any change, reporting progress to the next EC meeting.

As the Ad Hoc Committee on Relations with Member States would meet only on February 2004, and there would be not enough time to complete the process before CoP XI, the SCRP prepared an analysis on the consequences of changing the frequency of meetings to be considered by the Ad Hoc Committee during its meeting.

Main points of the analysis he presented were:

- Reducing frequency of meetings
    - EC and CoP meetings might be somewhat longer than present, as they would be less frequent
    - IAI to make corresponding changes to the Rules into accord with the amended Agreement (since Agreement supercedes Rules, they can be amended using exact wording as in the Agreement in order to avoid separate approval from governments).
    - Lengthening periods between CoP would likely result in the IAI assigning increasing responsibility and authority to the EC, its Bureau and to the Directorate
    - It is not necessary to change the terms of office of the EC Bureau (2 years)

- Recommended process for amending the agreement:
    - First, Director should prepare and distribute to all Parties to the Agreement a formal proposal to amend the Agreement at the Eleventh CoP
    - Second, The Director should invite the Parties to review these proposed amendments and instruct their delegations to the CoP-XI to approve these amendments; in extending this invitation, the Director should stress to the Parties the critical importance for the CoP to approve these amendments unanimously.

- Recommended process for the IAI to apply amendments on a provisional basis

- Seek unanimous approval that would enable the IAI to implement these amendments (before they are ratified and enter into force) in accordance with relevant provisions and with the spirit of the Viena Convention of the Law of Treaties, Section 3, especially Articles 24 and 31.

- Facilitating the amendment process
  - The CoP may also wish to authorize the Director to organize at an appropriate stage in the consideration of the proposed amendments a brief informal consultation with the legal services of the Member States

The Chair of the SCRP also reminded that according to rules, amendments should be proposed at least 210 days before the CoP.

8. Report of the Financial and Administration Committee – *Chair: Vanessa Richardson*

The Chair of the FAC, Vanessa Richardson, reported on the last meeting of the group held in San José, Costa Rica, one day before the EC meeting (on Dec 3, 2003). She began by describing the current membership of the FAC: Argentina (C. Ereño); Chile (Renato Quiñones); Cuba (Bárbara Garea), the USA (Vanessa Richardson) and the EC Chair (Antonio MacDowell). She informed that the member from Brazil (Gilberto Camara) had resigned and they were expecting the designation of a new representative. On the second day of the meeting she announced that Canada had also volunteered to participate in the group (Louis Grittani).

Mrs. Richardson reported that the FAC had discussed about the following topics:

- IAI Employee Manual: job descriptions, performance review processes, benefits
- IAI Staff salaries and benefits: request for consulting services for a survey on international salaries
- IAI Directorate staff performance plans: performance plans in place for current fiscal year
- Review of financial Report as October 21, 2003
  - The FAC asked for clarification of some of the data presented
  - The FAC expressed their concern about the current financial situation of the IAI and strongly urged the IAI Director to be more proactive in pursuing the core contributions. It was requested that renew the previous practice of sending out correspondence to all Member Countries reminding them of the payment schedule, procedures for fund transfer, etc. and then, following up by telephone. The FAC requested that status reports of these efforts be included in future financial reports.
- Core budget contributions for 2004-2007
  - The FAC requested that the Director provide input to the FAc regarding analysis and plans for FY 2004-2007 core budget contributions so that a further evaluation of near-term can be prepared.
  - The FAC will need to start working with the IAI Directorate in the spring on the development of the budgets to be presented to the EC XIX and CoP XI.
- Audit Report (The FAC suggested that approval be postponed until next EC meeting).

The next meeting of the FAC will be held in March-April 2004 in Sao José dos Campos.

9. Report of the EC Bureau defining its functions and the functions of each of its members

The second EC Vice-Chair, Bárbara Garea, made a presentation on Document 7_ECXVIII/DWD/English, November 14, 2003. She explained that this document had been discussed through several teleconferences.

To establish the central axes for the work and functions of the Executive Council Bureau, the points established by *Article VI of the Agreement* were used as a point of departure.

Central axes:

I. Scientific and technological policy, executed principally through its research and capacity building programs, among others. *Principal axis to achieve the mission of the IAI.*
II. Financial policy, budgetary aspects, movement of funds, fund raising capacity, among others. *Guarantees the existence of the IAI.*

III. Institutional development. Execution, structure, management, capacity for action, prestige reached in the region and internationally of the Director. *Visibility of the IAI*.

Four <u>functions</u> of the EC Bureau were defined:

1. To elevate to the Executive Council its considerations regarding:
      1.1. Scientific and technological policy, executed principally through its scientific and capacity building programs.
      1.2. Financial policy, budgetary aspects, movement of funds, fund-raising capacity, among others.
      1.3. The functioning, structure, management, capacity for action, and prestige reached by the Director.

2. To annually approve the IAI Director's Performance Plan and to annually carry out the evaluation of the Director.

3. To analyze and to approve the report of the Executive Council Chair made to meetings of this body.

4. To evaluate and to inform the Executive Council on the functioning and the work carried out by the Working Groups.

<u>For its implementation:</u> To distribute the oversight of the three central axes according to the composition of the Bureau, to the interests and individual capacities of its members.

− *The EC Chair asked the Chair of the Rules Committee if he had any comment. Lou Brown answered that he would like to further analyze the issue within the SCRP to see if it was necessary to make any adjustment to the Rules (if such was the case, it would have to be approved at the next CoP).*

> The EC approved the Document "Functions of the EC Bureau" (7_ECXVIII/DWD/ English/Nov 14, 2003). The Standing Committee on Rules & Procedures will analyze the document to see if it is necessary to make any changes to the Rules. In case of changes, they will have to be approved at the next CoP. **(Action 2 – Day 2)**

10. New Initiatives

Regarding the SAC proposal of *hiring a full-time IAI Program Manager* to support the Scientific Officer in all projects,

> The EC requested the IAI Directorate to study the possible budgetary implications of this action and report to the next EC meeting in June 2004. **(Action 4, Day 2)**

Canada (M. Beländ) proposed to discuss ideas and alternatives to stabilize the financial status of the IAI. The EC delegates had a lively discussion about this issue:

− *Argentina (C. Ereño) mentioned that the IAI Directorate should prioritize the contributions to the Core Budget and then expand the funds for programs.*

− *Canada (M. Beländ) stressed the need of ending with the option of lowering expenses in order to go on working. He suggested preparing a short, easy-to-read letter to all Member Countries including information of the benefits received from the IAI (in terms of grants, training, etc.). This letter should be addressed to high political/decision levels. He also mentioned some punishing measures in case the Parties did not pay their contributions (e.g. change to "observer status" in which researchers from that country cannot accede to grants).*

− *Cuba (B. Garea) agreed with Canada on the preparation of a letter to be sent to high decision levels without delay. She also recalled that the problem of the status of the debtor countries had already been discussed in previous meetings (for example if researchers from debtor countries had the same benefits as those from countries that pay their contributions in time) but it was said that the IAI was a scientific organizations and they should not be affected by governmental decisions. She suggested that the IAI Director prepare a document with the different alternatives to pursue the core budget contributions. She stressed that if the IAI*

continues to diminish the number of activities, then the current IAI structure will no longer be necessary. Urgent measures are needed before the CoP.

- *USA (P. Filmer) agreed with the suggestion that the IAI Director prepare a strategy based on discussions held during the meeting which would be a very important input to the meeting of the Ad Hoc Committee on Relations with Member States and also suggested that he also prepare a document containing different budgetary scenarios for the next years according to different levels of contributions and considering the impact of the different options in IAI programs and activities.*

- *Canada (M. Beländ) added that for the next CoP, the Parties should come with a position about their participation in the IAI. As Members of the EC we have the responsibility to assure the IAI staff a more secure working environment. There is no more time for discussions, it is time for decisions.*

- *Cuba (B. Garea) agreed with Canada and added that such responsibility is not only from the EC and CoP representatives, but also from the IAI Directorate itself. The Directorate has to be more proactive. The Director was elected by the countries and has to make efforts to have a closer relation with countries at the highest level.*

- *USA (M. Leinen) welcomed this discussion about the future of the IAI and agreed with Canada that the next CoP was a very important one. She thinks that at the next meeting the CoP should re-commit to IAI. She said there were three important groups that will have met by the end of that meeting anf that have a strong influence:*
1- the Ad Hoc Committee on Relations with Member States: the EC has identified types of information for that Committee so that it can do the best job possible to assist the IAI Director with a strategy to mobilize the CoP.
2- the next EC meeting: delegates to consider many items, including different scenarios for budget under different levels of contributions. To have enough financial information and actions undertaken between February and EC meeting to see how the strategy is working
3. the CoP itself that will receive all the input from the Director, the Ad Hoc Committee and the EC delegates in order to re-commit to IAI.

The EC asked the IAI Director to prepare a document, based on the EC discussions, including strategies to improve country commitment to the IAI. This document should be an input for the Meeting of the "Ad Hoc Committee on Relations with Member States" to be held in February, 2004. **(Action 3 – Day 2)**

The EC asked the IAI Directorate to prepare a document showing different budgetary scenarios for the next years according to different levels of contributions and considering the impact of the different options in IAI programs and activities.**(Action 5 – Day 2)**

The EC endorsed the proposal of the delegate from Canada of sending a letter to high level representatives in all IAI member countries (to be designated by all focal points) showing the benefits received by their countries through IAI programs and activities and exhorting them to contribute to this initiative. **Action 6 – Day 2**

The delegates also discussed the proposal of the IAI Director of organizing a meeting with high level representatives. Some delegates expressed their concern about the little time ahead to contact high level authorities. They agreed that an alternative would be to focus in the ministerial level (for example Ministers or Vice Ministers of Science and Technology) for this first meeting.

- *Cuba (Garea) mentioned that in the region there are forums where these Ministers participate. She regretted that the IAI was not present at the meeting of Ministers of the Environment from Latin America and the Caribbean held in Panama in November 2003 since the IAI should take profit of this kind of events. She also suggested that IAI contact UN institutions to hold the high level meeting.*

- *Costa Rica (Zárate) stressed the importance of focal points in country commitment and suggested mobilizing those that are not participating in the IAI.*

The EC endorsed the proposal of the IAI Director to "use the next CoP to celebrate the 10th Anniversary of the entry into force of the Agreement of Montevideo (1994) to organize, instead of a Science Forum, a day for high-level representatives and delegates from IAI member countries to take stock of the IAI activities during the last decade and to propose/discuss priorities for the future, taking into account national and regional needs", and asked the Director to study its implementation. **(Action 7- Day 2)**.

11. Approval of Action Lists

By suggestion of Cuba (B. Garea), the EC decided to consider additional items discussed during the meeting in the Action List of Day 1 (letter to country representatives asking for priorities, visits to main debtors, relations with other organizations). These items have already been included in the Action List and it will be approved by e-mail.

12. Future Sites and Meetings

The EC accepted the offer of Argentina to host its Nineteenth Meeting and the Eleventh Meeting of the CoP in the week of June 28-July 2, 2004 in Buenos Aires. *(Action 8– Day2)*

13. Adjournment of the Meeting

All delegates thanked Costa Rica for hosting the meeting. They also thanked the IAI staff for their work and presentations. Cuba (Garea) also thanked the SAC Chair for his report.

The EC Chair, on behalf of the Council, thanked the support staff and the translators for their job. He thanked all the EC delegates for their participation and their contribution to the success of the meeting.

The meeting was adjourned.

Eighteenth Meeting of the IAI Executive Council (EC)
December 4 - 5, 2003 – San José, Costa Rica

Action List

Day 1: December 4

1. The EC approved the agenda of its Eighteenth Meeting with two additional topics:
    a) the request of the IAI Director to participate in a WMO panel of Experts on Education and Training
    b) the discussion about the functions of the EC Bureau and each of its members

2. The EC approved the Report of its Seventeenth Meeting with no modifications.

3. The EC approved the request from the IAI Director to participate in a WMO Panel of experts on Education and Training.

4. The EC made some suggestions on the format of the IAI Directorate report: to present the information regarding visits, interviews, mobilization strategies, etc. by Member State indicating what was achieved or improved in each case and, to better link the activities performed with the six guiding strategies proposed by the SAC.

5. The EC endorsed the proposal of the EC Chair and the SAC Chair of sending a letter to the highest level possible in each IAI Member Country requesting country priorities on global change research. This letter will include information regarding the funds that the IAI has invested in each country in terms of research, training and capacity building. An IAI anniversary book will also be sent together with this letter.

6. The EC recommended that the IAI Directorate, when planning visits and activities, focus primarily in those countries whose outstanding contributions are crucial for the existence of the IAI and also in those countries that were not fully integrated to the Institute. In all cases, efforts should be made to reach the highest decision levels possible.

7. The EC recommended that the IAI Directorate have a closer relationship with UN organizations and other governmental or non governmental organizations working in the region.

8. The EC endorsed the proposal of the FAC to postpone the approval of the *Auditor's Report of the Financial Statement as of June 30, 2003* until its next meeting.

9. By suggestion of the FAC, the EC charged the IAI Directorate to request the Independent Auditors (KPMG) a letter stating that there were no reportable recommendations to the financial statements. The EC also asked for a written explanation on the specific terminology of the Auditor's report in order to facilitate its review.

Eighteenth Meeting of the IAI Executive Council (EC)
December 4 - 5, 2003 – San José, Costa Rica

Action List

Day 2: December 5

1. The EC endorsed the SAC recommendation and approved the 22 proposals, totaling US$ 612,701, selected for funding under the second round of the Small Grants Program (SGP II) – see table in Addendum, Document 6-.

2. The EC approved the Document "Functions of the EC Bureau" (7_ECXVIII/DWD/ English/Nov 14, 2003). The Standing Committee on Rules & Procedures will analyze the document to see if it is necessary to make any changes to the Rules. In case of changes, they will have to be approved at the next CoP.

3. The EC asked the IAI Director to prepare a document, based on the EC discussions, including strategies to improve country commitment to the IAI. This document should be an input for the Meeting of the "Ad Hoc Committee on Relations with Member States" to be held in February, 2004.

4. Regarding the SAC proposal of hiring a full-time IAI Program Manager to support the Scientific Officer in all projects, the EC requested the IAI Directorate to study the possible budgetary implications of this action and report to the next EC meeting in June 2004.

5. The EC asked the IAI Directorate to prepare a document showing different budgetary scenarios for the next years according to different levels of contributions and considering the impact of the different options in IAI programs and activities.

6. The EC endorsed the proposal of the delegate from Canada of sending a letter to high level representatives in all IAI member countries (to be designated by all focal points) showing the benefits received by their countries through IAI programs and activities and exhorting them to contribute to this initiative.

7. The EC endorsed the proposal of the IAI Director to "use the next CoP to celebrate the 10th Anniversary of the entry into force of the Agreement of Montevideo (1994) to organize, instead of a Science Forum, a day for high-level representatives and delegates from IAI member countries to take stock of the IAI activities during the last decade and to propose/discuss priorities for the future, taking into account national and regional needs", and asked the Director to study its implementation.

8. The EC accepted the offer of the delegate from Argentina to host its Nineteenth Meeting and the Eleventh Meeting of the CoP in the week of June 28-July 2, 2004 in Buenos Aires.