

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH



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Minutes of the EC-XXIX

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**Minutes of the Twenty-Ninth Meeting of the IAI Executive Council (EC)
June 8, 2010, Brasilia, Brazil**

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Action List EC-XXIX

FAC Charter

Acronyms

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.

Approved

29th Meeting of the IAI Executive Council (EC)
8 June 2010 — Brasilia, Brazil
AGENDA

Morning session (08:30 – 12:30)

08:30 - 9:00 Registration

9:00 Opening ceremony:

- Welcome by Representative of Brazil
- Welcome by EC Chair

Approval of the Agenda

Approval of the Report of the 27th and 28th Meetings of the EC

Progress Report of the EC:

- Activities charged to the EC and its Bureau;
- Activities, actions, and decisions of the EC Bureau or its members.

Nomination of the committee to recommend candidates for the election of one IAI Scientific Advisory Committee (SAC) member.

10:30 – 10:45 Coffee Break

Financial and Budgetary matters:

- Overview of the Financial Status for FY 2009-2010 and Audit of 2009 (Rafael Atmetlla);
- Overview of the Core Budget and Country Contributions for FY 2009-2010 (Rafael Atmetlla);
- Financial and Administrative Committee Report (William Smith).
- Approval of FAC Charter

Comments and discussion by delegations

Receival of the Auditors Report and approval of Financial Status Report, financial items to be forwarded to the CoP

Update on relations with Member States *Delegates & IAI Directorate*Update on Host Country relations *IAI Directorate, FAC, host country representatives*

12:30 Lunch Break

Afternoon session (02:00 – 06:00)

Report of the Rules Committee (Lou Brown)

03:30 – 03:45 Coffee Break

Strategic developments in Science and Capacity Building

IAI Mission and Strategic Plan

Approval of the items to be forwarded to the CoP

Adjourn

Debriefing – EC Bureau and Directorate. Meetings of EC Working Groups, as necessary.

1. Opening Session

Maria Virgínia Alves, delegate from Brazil, welcomed the participants on behalf of the Ministry of Science and Technology and the INPE and wished them a successful meeting.

Paul Filmer, EC Chair, noted it was the first meeting after the approval of the new EC and CoP Rules of Procedure. He also reminded that in the CoP of the following day there would be elections of EC and SAC members. He then explained the items of the agenda in order to prepare the material for the CoP and deal with internal EC issues. One of the most important points would be the discussion of the budget.

After the introductory remarks, the EC determined that the quorum was present and therefore decided to go ahead with its work.

Participants at the meeting were:

EC Country Representatives

Argentina: Carlos Eduardo Ereño; Paulo Zappia
Brazil: Maria Virgínia Alves; Simone Redivo
Canada: Brian Gay; Lynn Whelpdale
Costa Rica: Carolina Fernández Alvarez; Cláudia Wândega A. Santos
Cuba: Alexis Bandrich Veja
Mexico: Bruno Ríos Sánchez
United States: Paul Filmer; Louis B. Brown
Venezuela: Guillermo Barreto; Tibusay Pérez; Dirk Thielen

Observers – Member Countries:

Chile: Jorge Beals
Colombia: Ricardo Lozano Picón; Sergio Humberto Días Aguilera

Observers – other institutions.

OTCA: Germán Gómez; Marilyn Aparicio Effen

SAC Members:

Juan Valdéz (Chair)

IAI Directorate:

Holm Tiessen (Director), Rafael Atmetlla (Assistant Director, Finance and Administration), Marcella Ohira (Assistant Director, Capacity building), Christopher Martius (Assistant Director: Science), Ana Claudia Rosa (Executive Assistant) Tania R. Freire Sánchez (Executive Assistant), Paula Richter (IAI Publications), Elvira Gentile (IAI Directorate support).

Local staff

Patricia Marciano Leite – Valeria Ribeiro G Fernández

2. Approval of the Agenda

The EC approved the Agenda of its Twenty Ninth Meeting with the following additions:

- Reports to be approved are EC 27 and 28.
- Discussion and approval of the Financial and Administrative Committee charter. (*Action 1*)

3. Approval of the Report of the XXVII y XXVIII EC Meeting

The EC approved the report of its 27th meeting with the following modification:

English version, page 13, third paragraph, indicates that the intervention presented as by the USA, was actually the opinion of Lou Brown. The Spanish version will be modified accordingly (also page 13 in that report). (*Action 2*)

The EC approved the report of its 28th meeting with no modifications. (*Action 3*)

4. Report of the EC Bureau

Paul Filmer, EC chair, reported on the *activities carried out on behalf of the EC Bureau and the EC itself*:

- He could not travel to the SAC meeting in June 2009 but participated in some of the sessions through Skype teleconferences.
- On August 11, 2009 he met with Walter Baethgen, member of the IAI SAC and the IRI. They talked about cooperation between both institutions.
- In October, NSF presented an advisory group to the IAI and contacts were made with members from that Committee. One of them is member of Conservation International and opportunities of future cooperation were explored.
- In November he met Dr. Pablo Molina in order to discuss the strengthening of the relations with Mexico. Main areas of interest for Dr. Molina are atmospheric pollution and megacities in the Americas.
- On November 20, during the bilateral meeting USA-Brazil, there were discussions on IAI activities and events.

- During the last week of November and early December he received the IAI Director in Washington D.C. They visited several Agencies, including the Global Change Research Office, the Office of Science and Technology from the White House, the State Department, the Department of Agriculture, the Department of Energy and Conservation International among others. Based on discussion with the White House, they decided to send a letter to the White House official representative for the Environment giving a brief report of the financial situation of the IAI and country contributions to the Core Budget and describing the impacts in the activities of the Institute. The letter was signed by the IAI Director and the EC Chair.
- In December he also had teleconferences with Canada and Mexico about contributions.
- He sent a letter to all representatives about the accreditation and the financial contributions in order to assure that all governments were well informed of the importance of participating at the meeting to take decisions about the budget and make a real work plan. Without a realistic vision of the contributions, it is not possible to plan for activities.

Actions charged to the EC

- By Action 11, the EC 27 had requested that the Strategic Planning Committee (SPC) redouble its efforts in the preparation of the final strategic planning document. Unfortunately, the SPC has not met. Although the president of the Committee has not resigned officially, he is very busy with other commitments. We hope to mobilize the SPC in order to have a document for the next round of meetings.
- During EC 27 the EC discussed the dual roles of representatives (in representing their countries to the IAI and the IAI within their countries). By Action 8 of EC 28, the EC decided to create a document defining the role, responsibilities and activities expected from IAI representatives. Unfortunately, the responsible for drafting the document is not present and we have no information about its status.

From **EC 28** there are several ***pending actions*** regarding strategies to help the IAI Directorate in the relations with Member Countries:

- Representatives committed to revise their “country information sheets” but only a few have answered (Action 4).
- The EC had decided to use the Twiki site to create a calendar of bilateral meetings among member countries in order to contact country representatives less involved in the IAI (Action 5). Only USA and Brazil sent information for this calendar.
- USA had suggested that two or more Foreign Relations Offices issue *joint demarches* urging countries to become actively involved in IAI activities (Action 9). There was no follow up on this action and the EC Chair asked the representatives from the Embassies present at the meeting for advise in this issue.
- In several Member Countries the representation and the political and legal status of the IAI within the country is not clear. The delegates had committed to help clarifying these situations, not only regarding the focal point but also regarding the national entity responsible for the contribution to the core budget (Action 10). No follow up on this action.
- The IAI Director had requested that representatives write brief articles (about 200 words) for the IAI Newsletter on the benefits of the free and open exchange of information in their countries and how that is being done (Action 11). Only Brazil sent its contribution.
- There is a revision process in course for the Host Country Agreement.

5. Nomination of the Committee to recommend candidates for the election of the IAI Scientific Advisory Committee (SAC) members

The EC Chair explained that the EC should conform a Committee to review the CVs of the twelve SAC nominates in order to make a recommendation to the CoP. In the past, this committee was integrated by two countries from the EC, two additional countries from the CoP, one member of the Directorate, one member of the SAC Chair and one local scientist.

Juan Valdez, SAC Chair, made a presentation on the evaluation criteria and priority areas so that the representatives would have all the necessary information for the election. The areas of priority identified by the SAC were:

1. Climate Science:
Climate modeling
2. Ecosystems and climate:
Ecosystem biodiversity and climate
3. Policy and Human Dimensions of global change:
 - a. *Vulnerability Assessment*
 - b. *Mitigation and Adaptation*
 - c. *Science-policy interaction*
4. Integration and modeling:
 - a. *Resilience (social-ecological systems)*
 - b. *Social Ecological Systems (SES) modeling*

The table below shows members who were seeking re-nomination in yellow, rotating out member in blue, and member not seeking re-nomination in green.

Member	IAI Science Theme	Priority Areas
Walter Baethgen	Human Dimensions and Policy	
Telma Castro	Climate, Ocean, Atmosphere	
Rana Fine	Climate, Ocean, Atmosphere	
Maria Carmen Lemos	Human Dimensions and Policy	Policy and human dimensions of global change
Luis José Mata	Ecosystems, BD, LU, WR	
Hal Mooney	Ecosystems, BD, LU, WR	Ecosystems and climate
Frank Muller-Karger	Climate, Ocean, Atmosphere	
Ramón Pichs	Human Dimensions and Policy	Policy and human dimensions of global change
Juan Valdés	Ecosystems, BD, LU, WR	
Carolina Vera	Climate, Ocean, Atmosphere	Climate science

Finally, he reminded the basic suggested criteria for electing SAC members: scientific excellence, geopolitical and gender balance; ability to engage in interdisciplinary research, representation of science in the Americas, ability to cross science-policy barrier and interact with stakeholders and ability to create and maintain research networks with high policy-relevant output.

The EC decided that members of the Committee to recommend candidates for the election of the IAI SAC members would be Argentina, Brazil, Chile, Cuba, Venezuela and the SAC Chair. The report of

this committee will be presented at the meeting of the Conference of the Parties during the morning session of day 1. (*Action 4*)

6. Financial and Budgetary Matters

Rafael Atmetlla (Assistant Director, Finance and Administration) made a presentation on the financial status for FY 2009-2010 and Audit of year 2009 (further details in Document 8 and its Addendum and Document 10). He thanked the Financial and Administrative Committee for collaborating in these documents.

Note: Mexico left the room before the presentation on the Financial Status for FY 2009-2010.

6.1. Overview of the Financial Status for FY 2009-2010 and Audit of 2009

Status of Core budget

This has also been a year of serious challenges for the IAI due to several important member countries not paying contributions which has aggravated the core funding situation to such a degree that salary payments had to be halted temporarily in Sept 2009, all travel had to be suspended and therefore no Scientific Advisory meetings have been funded by the core budget, unliquidated obligations are no longer covered and several services are on hold. At the height of the cash-flow crisis (mid-August), the IAI had not received contribution payments from any of its member countries. The total of contributions not received at that point was US\$ 2.7 million dollars, approximately half of which was recent un-budgeted non-payments, which made the management of the Directorate nearly impossible.

Core Budget - 2009 / 2010
Status of Country Contributions as of May 8, 2010
Amounts in US\$

	Contribution for FY 09/10	Paid - in 2009/2010 to be applied to:		Due as of 30-Jun-10
		Arrears	Current year	Advances
Argentina	57,000	(50,000)		66,000
Bolivia	5,000	(10,000)		20,000
Brazil	100,000	(20,000)	(65,153)	34,847
Canada	143,000	(71,500)	(143,000)	0
Chile	6,000			(3,000)
Colombia	11,000			40,000
Costa Rica	5,000	(3,899)		10,964
Cuba	5,000			30,000
Dominican Republic	5,000			65,000
Ecuador	5,000			45,000
Guatemala	5,000			65,000
Jamaica	5,000			30,000
Mexico	70,000			140,000
Panama	5,000			5,000
Paraguay	5,000			70,000
Peru	5,000			23,350
Uruguay	5,000			60,000
USA (*)	691,000	(568,928)		813,072
Venezuela	37,000		(12,500)	238,500
Totals	1,170,000	(724,327)	(220,653)	-
			Total Revenues:	(944,980)
			Total Advances:	-
			Contributions not received:	(225,020)
			Difference:	-

- As of 08-May-2010 the IAI had collected 81% of the approved contributions for FY 2009/2010.
- Limited response from the countries; however very positive signs from Colombia, Paraguay, and Bolivia.
- Canada caught up on previous year's contributions; US has paid for 2009/2010 and solutions for a pending payment of US\$400k are being analyzed.
- Contacts with country representatives have been increased and a country profile is provided with each of those contacts. IAI still needs a strong support from its member countries.
- The total amount of pending contributions is now about US\$1.4 million.

Expenses

The following table shows the expenses at the close of March 2010 (nine months into the fiscal year). This comparison shows the status of the core budget compared to the actual expenses in the corresponding period (3/4 of the total approved budget). These expenses include the provisions for holidays, contributions to social security, and depreciation of fixed assets.

Budget Performance
July 2009 - March 2010
Amounts in US\$

Category	Actuals	YTD Budget	Difference	%
	2009/2010	2009/2010		
Salaries & Benefits	602,304	583,107	19,196	3.3%
Travel & Training	15,233	55,883	(40,650)	-72.7%
Equipment	-	10,650	(10,650)	-100.0%
Operational Costs	64,675	140,948	(76,272)	-54.1%
Dissemination & Outreach	15,750	36,750	(21,000)	-57.1%
Director's Fund	-	45,000	(45,000)	-100.0%
Total	697,962	872,337	(174,376)	-20.0%

- At the close of March 2010, the expenses were 20% lower than the 9-month budget, in all categories except S&B (effect of a stronger real in comparison to the US dollar).
- Travel and Training is 73% lower than budget as all non-essential travel has been frozen.
- In Operational expenses, some of these have been delayed, however most will be paid before the end of the FY.
- Dissemination and Outreach is lower due to the SAC meeting and one edition of the newsletter cancelled.
- The activities under Director's Special Fund have all been cancelled or frozen, awaiting countries to make their payments for the contributions. This will affect Cuban expenses, as the US funds cannot be used for these expenses.

Cash balance and CB Reserves

Cash Reconciliation
At the end of Mar-10
Amounts in US\$

	Mar-09	Mar-10	Variance
Program Funds	146,329.33	288,775.85	97.3%
IAI CB Funds	189,301.25	113,205.79	-40.2%
Total Cash	335,630.58	401,981.64	19.8%

- Cash balance at the end of March 2010 was 19.2% higher than the previous year due to Program Funds (IDRC and MacArthur funds).
- CB funds were 40.2% lower than the previous year.
- An additional amount of US\$270k was added to the US contribution; this will allow recovering some past expenses and building a fund for operations and known liabilities.
- For the last 24 months IAI has been using its reserves to funds operations. Reserves at the end of March 2010 are not enough to cover 2 months of operations or to cancel contractual obligations. This is not a desirable situation.

Administrative Area

Local staff hired by INPE:

- New contract was issued by INPE at the end of May 2010; however this is a potential risk for IAI.
- With the current cash situation, the IAI cannot take on the difference in salaries as it did in the past

and would have to be treated as an emergency item with the member countries.

- This item could potentially become a problem with the fulfilment of the Host Country Agreement with Brazil.

Internal controls and External Audit

- No pending items on internal controls from the FAC or External Auditors.

Director: I will give an overview of what it has been like to run the IAI and keep the scientific programs functional under the current financial situation. Travel was cancelled (including IAI Directorate and SAC members). The SAC did not meet at a time when we are trying to make an intelligent synthesis of our science program and make that synthesis available to Member Countries. That was a very serious shortcoming of the last year. Similarly, the output from most of our scientific program is being distilled into a Data and Information System that provides access to the scientific products of the IAI programs. We hire the Oakridge National Laboratory for this service and up to now we have not been able to pay this year subscription. If we do not pay in the next few months, the service will be discontinued and that will mean that we will be delinking IAI from major international data sets.

We have made efforts to find more funds for scientific activities; we have more outputs but, in terms of core activities, we cannot make the best use possible of that output. Our core budget should be reconsidered seriously or we have to reconsider the activities of the IAI. We have been living with shortfalls in the contributions for many years. We are now in a position where we can no longer manoeuvre. This should be an important part of the discussions in the next days.

USA: Thanks for the presentation on the current status. This is of deep concern to USA. We are very supportive and proud of the results that the scientific community has been able to contribute through IAI funding. We believe fundamentally in the quality, in the process for selection and in the management of the programs that has been carried out by the Directorate. We realize of course, that this has become more and more difficult. Of the current 19 members we have 7 and possibly 8 countries that will have made a contribution during the current year and that, frankly, is disappointing. We understand that many of the contributions are at the minimum level according to the Agreement Establishing the IAI and that those contributions are in the 1% range for the operating costs. So those are tolerable and understandable given the comparative sizes of the economies involved. However, we understand that this past year, given the difficulties with contributions from major countries, this has cost a major crunch at the Directorate.

An additional comment: The particular mechanism that USA uses to pay its commitments is through the NSF, which is made on behalf of the wider group of Global Change Research Programs in the USA. Those are made through grants; and successively there has been a small gap of a few months between each of these grants. We have reached the state where that cumulative gap is equivalent to 1 year. So this is the appearance of the one-year arrears in the US column. We have budgeted for that and therefore we have the funds to cover the extra year. We are currently negotiating how those funds can be allocated to costs at the Directorate to make sure that the arrears of USA reaches zero. It is obviously of great concern for us to hear that the situation with none, or partial, or late contributions has caused this stress at the Directorate. It threatens the investments we have made politically, financially and of course, the efforts of our scientific community in the various successful projects of the IAI. It is my understanding from these materials that this threat is serious enough for us to consider a fundamental change in how the IAI operates, including figuring out how to close. This is an effort we have jointly carried out for almost 2 decades. And the results of the scientists have been outstanding. You can see our results in international fora like the IPCC or in local programs and campaigns.

From the point of view of USA, we believe the IAI is a valuable and very productive organization and

we are willing to continue and support at the level that is proposed here and in fact we look forward at conversations about future possibilities of programs and what those programs might entail in terms of necessary contributions to support the scientists whether they be American or not. That is part of what we see in IAI's mission and it has succeeded on that. We do not want to see this fail; we would like to see it continue and we are willing to work with you. However we would like to see some faithful signs that countries can contribute with the discussions with a realistic forecast of their contributions so that the plan of activities and the budget that we generate is realistic. Thank you.

Argentina: This problem is not new. The situation has been worsening throughout the years. I agree with the representative from the United States that we have reached a moment where we must take important decisions. Up to now, the EC and the CoP discussed about different ways to engage countries. Unfortunately that has not worked well. We have a very objective situation: 6-8 countries from the region are very interested in the Institute while others are not. The IAI is structured for 19 countries. Perhaps we should totally re-design the Institute or think of a new Institution. There are many commitments that prevent the IAI from an immediate change; CRN II still has two years ahead. Perhaps we can think of a re-born Institution within two years, with renewed objectives and renewed membership. This renewed Institution should have a new budget according to the number of Parties. I still believe in an intergovernmental organization; countries that are paying its commitments are interested in the goals of the IAI. The solution to this problem should be re-thinking the Institute and not papering over the cracks.

Colombia: Argentina has made a very clear analysis. Colombia has hope in the IAI. We are worried about the current situation and we want to strengthen the Institute. Colombia has been open to the IAI activities and will continue in this way. In spite of the economic difficulties, investment in research is a priority for our country and we have embarked in research activities to reduce our vulnerability to climate change. The position of Colombia is to go on supporting the Institute.

IAI Director: I see two problems in the relation countries-IAI:

- 1- Compromise of the countries with the science of the IAI and the commitment of the IAI with the science in the countries.
- 2- Financial issue: Analyzing the situation of the countries that are causing the IAI crisis at this moment, there are some internal configurations that represent an obstacle for the payment of contributions. For example, in two countries the contribution is divided between two Ministries (Foreign Affairs and Environment or Science and Technology). In both cases, the Ministry of Foreign Affairs has very little interest in the IAI. In one country it has never paid and in the other it stopped paying last year (in this last case the other Ministry made responsible for the whole contribution). In another country, the Treasury Department has an indication from the Senate to pay the contribution but there is no national representative designated. All these internal issues are a serious constrain. Therefore is very important that national representatives keep all Ministries informed of the payment. In most cases of lack of payments is due to a failure in the IAI representation.

Venezuela: I endorse Argentina and I suggest forwarding to the CoP our concern for this situation and perhaps defining a period for the reformulation of the Institute. Perhaps we should declare an emergency situation and decide jointly if we want to continue or not. There is a weakness in the Institute because most of the resources come from one Party. That might weaken the democracy within the group. We should also take this concern to our governments in order to analyze the problem and look for a resolution.

Brazil: I think the issue of restructuring is complicated, we could spend days talking about it. I think we

have to deeply analyze the situation and see why 8 or 9 countries make their contributions. Brazil particularly has to work on the Host Country agreement and the staff issue but I do not think it is necessary to start again from zero.

USA: I see there is a nucleus interested in going on with the activities of the IAI and that is very good. I agree there is not enough time today to discuss a renewal procedure, but perhaps a group can take this task. USA has invested a huge amount in the operation of the CRN and we would like that all scientists could finish their work properly.

6.2. Overview of the Core Budget and Country Contributions for FY 2010-2011

Rafael Atmetlla presented the core Budget Request for FY 2010-2011 (further details in Document 10). This budget was discussed in detail with the FAC.

The budget was developed in detail around six main categories: Salaries & Benefits, Travel, Equipment, Operational Costs, Dissemination & Outreach, and Director's Fund. These categories comprise all individual expense accounts and provide a clear perspective of the planned expenses for Fiscal Year 2010/2011. Some basic points:

- The new budget will require changes in the contribution amounts by some member countries and maintains the participation percentages as per the OAS Schedule of Country Contributions.
- The proposed budget allows IAI to maintain operational expenses at a minimum despite an increase in activities related to the science program synthesis and future planning.
- The budget reflects incremental costs in the operations due to a weaker US dollar in comparison to the Brazilian Real.
- The request includes the creation of a "Known Liability Fund" to cover contractual liabilities already incurred.
- The proposal includes an increase of 10% from the level of the previous fiscal year.

Core budget comparison

Amounts in US\$	Fiscal Year 2010-2011	Fiscal Year 2009-2010	Difference
Salaries & Benefits	904,485	777,477	127,008
Travel	83,180	74,510	8,670
Equipment	14,200	14,200	-
Operational Costs	174,135	187,930	(13,795)
Dissemination & Outreach	49,000	49,000	-
Director Fund	54,000	60,000	(6,000)
Total	1,279,000	1,163,117	115,883

Budget by Year 2010/2011 - 2011/2012 - 2012/2013 Summary by major category

Amounts in US\$	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13
Salaries & Benefits	904,485	898,488	917,106
Travel	83,180	87,583	87,583
Equipment	14,200	15,000	10,000
Operational Costs	174,135	172,522	211,754
Dissemination & Outreach	49,000	40,000	40,000
Director's Fund	54,000	60,000	70,000
Total	1,279,000	1,273,593	1,336,443

The budget for 11/12 and 12/13 are for reference and planning purposes, and each year a three-year budget will be presented, however approval for each one is made yearly.

Member Country Contributions to the Core Budget

For fiscal year 2010-2011, the IAI Directorate is requesting an increased level of contributions from the previous fiscal year, to compensate for shortages in collections and to slowly increase an operational fund to cover known liabilities.

With the current forecast for contributions, IAI expects to fund 100% of the 2010/2011 budget, either by current year contributions or payments to previous year's contributions; however we will continue to pursue the maximization of these funds and to get all member countries to participate in and contribute to the IAI's activities.

Current and Proposed Contribution to CB by country (Amounts in US\$)

Country	Part. %	Current US\$	Proposed US\$
Argentina	5.01%	57,000	63,000
Bolivia	0.07%	5,000	5,000
Brasil	8.73%	100,000	110,000
Canada	12.63%	143,000	159,000
Chile	0.55%	6,000	7,000
Colombia	0.96%	11,000	12,000
Costa Rica	0.13%	5,000	5,000
Cuba	0.00%	5,000	5,000
Dominican Republic	0.18%	5,000	5,000
Ecuador	0.18%	5,000	5,000
Guatemala	0.13%	5,000	5,000
Jamaica	0.18%	5,000	5,000
Mexico	6.21%	70,000	77,000
Panama	0.13%	5,000	5,000
Paraguay	0.20%	5,000	5,000
Peru	0.42%	5,000	5,000
United States	60.75%	691,000	762,000
Uruguay	0.27%	5,000	5,000
Venezuela	3.27%	37,000	41,000
FUND TOTAL	100.00%	1,170,000	1,286,000

(*): This percentage represents the participation of each member country in the distribution of the operational costs of the Directorate according to the OAS Table of Contributions for 2001. The 26th EC approved contributions in multiples of US\$1,000, was confirmed and implemented in 2007

USA: thank you for the presentation. It's our understanding that this is an option that you have arrived at in consultation with the FAC. This represents the end of a process of a lot of different cuts to activities. This is in our opinion a minimum budget for activities. On the establishment of the non-liabilities fund I would commend you for a fiscally responsible step. Given that there is a possibility of cessation of operations, it is actually essential that we have that kind of mechanism in place and that reflects responsible conduct. We have considered the increase that has been proposed for the USA contribution (a little over 10%). We believe in the IAI, and we are willing to do that increase in the contributions and we will be declaring that at the CoP.

Brazil asked how the percentages of contributions were set. The Assistant Director for Finance and Administration explained it was set based on the OAS table of contributions when the IAI was

established. Paul Filmer added that at the time the IAI was in implementation, a group met in Bolivia to prepare the budget. The group analyzed different indices from OAS, UN and IDB and concluded there was no big difference between the average of those indices and the OAS index. Therefore, it was decided to use the percentages indicated by OAS and an estimate for Cuba in order to have the figures for the 38 possible countries. That index has been updated every 5 years approximately.

Canada: In Canada the sources of funds for the IAI came from two Ministries (half from Foreign Affairs and half from Environment) for at least ten years. We worked on that issue over the last fiscal year and now Environment Canada will be responsible for the whole contribution. Given these financial times it was not an easy thing to do but we feel very strongly about the IAI and the work that is being done. I will not be able to say if we can commit to this additional amount by the end of this week but I will do what I can to find these funds for the next contribution. I do also support the notion of a non-liability fund. We must assure that the IAI staff is paid and assure that, in case we have to face a closure, we can do it in a professional and responsible way.

Director: I am glad to hear your comment on possibly not being able to accommodate the increase in the contribution this year. That kind of comment, as Argentina did a couple of years ago, helps us to make some kind of budget re-planning. The worst thing, from the perspective of the Executive Director, is to have Parties go away from such a meeting saying they will pay and then they do not pay, because that really makes impossible to manage this organization. And what happened in this last crisis over the last twelve months was essentially that countries went away as if they were planning to pay and then the payment did not arrive. That lead us into a serious situation and in August even the payment of salaries was halted for a month until the fiscal situation was a little better again. So it is really important that if there is a shortfall we can plan for that shortfall and that the Directorate really knows what we can expect.

Cuba: It worries me that a direct relation be assumed between the payment of contributions and the interest in the IAI. Cuba considers that the IAI is a valuable instrument to promote cooperation on climate change science in the region, but unfortunately we are facing a situation that does not allow us to commit ourselves to increases in our contribution or even payment of arrear. We are grateful because our contribution was not increased and we want to reaffirm our interest in participating and contributing to the permanence of the IAI.

EC Chair: I am glad to hear that because there are several ways of participation. First of all of course is the budgetary contribution; second, participation at meetings. We have had critical meetings where there was problem with the quorum at the CoP; without quorum there is no meeting and hence, there is no Institution. At a more basic level, we have the participation of the scientific community in the IAI calls for projects, in the training program, in the different science-policy fora, etc. We are conscious that the majority of the parties that are present here are also present in the IAI activities and that is also an important mode of participation. Cuba has always participated at meetings and its scientific community has a strong presence.

Colombia: Is it possible to consider in the budget donations form international organizations or from countries outside the region, e.g. Europe?

EC Chair: The IAI Directorate got funds from the Mac Arthur Foundation and IDRC but these funds are only for science and not for operation. These institutions say that is funding the Directorate is responsibility of the Parties. We have also been criticized for our low levels of contribution. Up to now we have not considered donations form other countries, but perhaps is something we could explore.

The EC discussed the Core Budget request and level of Country Contributions for 2010-11 and will elevate them to the CoP for approval. (*Action 6*)

6.3. Financial and Administrative Committee Report

William Smith, FAC Chair, presented the report of the Committee (Document 13) via Skype. He first congratulated the IAI Directorate for obtaining a new clean auditors report for the fourth consecutive year.

The Financial and Administrative Committee met at IAI headquarters April 27-29, 2010. Participants: Simone Redivo (Brazil), William Smith (USA) and via Telephone – Rosanna Proto (Canada) and Lynn Whelpdale (Canada) The primary agenda item for the meeting was the review of the IAI Core Budget proposal for the IAI's Fiscal Year 2010-2011, which starts on July 1, 2010.

The FAC reviewed the IAI's preliminary budget proposal, and found the budget austere. The budget included a required 4% salary increase for Brazilian staff and also includes a 4% salary increase for other staff, which the FAC considered justified as this tracks inflation in Brazil over the last year. A number of staff has experienced a *de facto* reduction in salary due to the relative strengthening of the Brazilian currency as compared to the US Dollar in which some staff salaries are fixed. The Post Adjustment proposed in the budget does not completely compensate for this loss. Otherwise, the budget provided for minimal staff travel to required meetings and few, if any, outreach visits by staff.

The FAC reviewed the budget for potential savings, but none were evident. The IAI has functioned with the minimum level of staff required to operate, so any reductions in staffing would directly impact the IAI's ability to conduct day-to-day business. Changes to the Host Country Agreement with Brazil would yield a substantial Core Budget savings by eliminating the payment of taxes by IAI to Brazil. Revision of the Host Country Agreement has been an ongoing issue, but at present there is no anticipated resolution date.

After substantial analysis and discussion, the FAC concluded that a 10% increase in the Core Budget for the coming year was required to enable continued operation of the IAI for the next three to four years. This level of increase will permit IAI to meet known obligations in the coming year, allow for modest salary growth to approximately track inflation, and to build up sufficient budgetary reserves to enable to IAI to terminate operations if necessary and to meet other contractual obligations to staff – approximately \$400,000 at this time. The FAC has considered the issue of budgetary reserves in the past, and feels that this level is appropriate. A 10% budget increase will permit this level of reserves to be maintained for approximately the next three to four years provided IAI directorate operations continue at the present level, and is the course of action recommended by the Committee.

Because all avenues of reducing expenses that don't impede the IAI's ability to conduct essential functions have already been implemented, the FAC does not consider further reductions to Core Budget expenses a viable option. The only other course of action evident to the Committee, should a budget increase not be accepted, is planning for the orderly shutdown of IAI activities at the conclusion of the CRN-II grants in 2012.

The FAC noted that while the recent financial crisis experienced by the IAI was precipitated by the late payment of funds by some of the countries with higher contribution amounts, it is the consistent

nonpayment or partial payment by many IAI member countries that created the situation where the IAI was tipped into crisis mode when funds from other countries were delayed.

Approval of FAC Charter

At the last EC CoP meeting in Bogotá, the FAC Charter was discussed, as it would expire between that meeting and this one. However, the Charter was not formally renewed. The FAC Chair prepared a new one, with minor changes that was circulated through the Twiki site (See FAC Charter in Annex 1).

The EC Chair reminded that the FAC is a committee of the EC renewable every two years. FAC Member duties are: attendance to one or two meetings per year (one of them in Sao José dos Campos with the audit team and one with the Directorate, not necessarily in Sao José dos Campos to review core budget request financial reports), and a couple of teleconferences. That means approximately two weeks per year for meetings plus the time for emails and reviewing documents. Member Countries should cover the travel expenses because in the Directorate Budget there are no funds to cover those costs so far.

The EC approved the charter of the Financial and Administrative Committee. Membership for this committee is open, and new participants are welcome. Renewed memberships are Brazil, Canada, and the US; the IAI Directorate as an ex-officio member. (*Action 7*)

The EC Chair thanked Brazil, Canada and USA for participating in the FAC.

7 - Receival of the Auditors Report and approval of Financial Status Report, financial items to be forwarded to the CoP

The EC Chair explained participants that the Auditors report was in Document 10. The EC should receive the report and forward it to the CoP.

The EC received the Auditor's Report of the Financial Statements for the years ended June 30, 2008 and 2009, and will forward it to the CoP. (*Action 5*)

The EC Chair congratulated the IAI Directorate for the clean report and for the responsible use of funds.

8. Update on relations with Member States

IAI Director: I will talk about this in detail at the CoP tomorrow in the Directorate report but I will present some highlights. Over the last year and a half, we have had a project funded by the MacArthur Foundation on the impact of Climate Change in the Tropical Andes. Within that project funded by a non-governmental source we have consulted extensively both with scientists and with Governments in the tropical Andean Countries. There have been meetings in Colombia, in Bolivia, Ecuador and Peru. Part of the project is not only the evaluation natural history of biodiversity in the region but also the institutional capacity to conduct research on adaptation and future management of biodiversity in the region and that has brought together a number of governmental representatives, a number of Ministries, and other entities working in the countries. As a result we have made many contacts in those countries. That has resulted in renewed interest in Ecuador. I have just received a communication from Ecuador

re-evaluating and looking again at what the IAI is doing in order to plan for future interaction. It has also contributed substantially to a renewal of the contacts with Bolivia. This country has not only paid its annual contribution but also two back contributions and is hoping to move forward in the scientific agenda.

In addition, thanks to the activities in the La Plata basin Paraguay is trying to re-integrate itself into de science and the financial contributions. The latest news is that a decree has passed through the Congress asking for the funds to pay back dues.

As to the negative developments, Mexico decided not to pay dues for now the second consecutive year. This is a major contributor to the current financial problems.

During a visit to Washington, Paul Filmer guided me very expertly through the various Ministries. We made contacts with a number of Ministries, Departments in the US, including the Department of Energy who is interested in green energy, renewables, sustainable energy use and has established a number of offices throughout Latin America including one on renewable energy in Chile and one on sustainables in Peru that we are hoping to tap into over the next year and to collaborate with the Department of Energy. We also have renewed interest by the Department of Agriculture and are collaborating now within the LPB with institutions such as EMBRAPA and INTA from Brazil and Argentina. So are developing a number of more broadly based collaborations among the countries.

Regarding the Action Items of the two EC meetings in 2009 that charged EC members with tasks of renewal and intensification of country contacts, practically none of these items were followed up. Two years ago the AAAs evaluation said that country relations were the weakest point in the IAI. And this past year has reinforced that impression. Similarly at the previous CoP there was an achievement agreed by the Conference that Member Countries would contact their UNESCO representation in order to promote a joint training program between UNESCO and the IAI on global change issues that would bring together scientists from different disciplines and ministerial representatives for a joint learning exercise about mitigation and adaptation to global change. Only two countries had followed up on that contact to UNESCO (Cuba and Brazil) and as a result we have not been able to follow up on this program. We need more involvement from countries, not only financial. It is absolutely vital that member countries realize that the IAI is 13 people in an office in SJC and we are working in 19 countries, with 400 institutions and with 20 major research programs. Therefore, without country involvement in different aspects of science and policy program we cannot do the job.

EC Chair: I feel responsible for some part of the non-follow up of the EC actions due to my labor commitments at home and I apologize for that. I think we should all make an effort to work for the IAI when we go back home and not only when we are at meetings. I would like to remark all the work that has been done with the limited number of persons of the IAI Directorate. As representative of USA I want to assure you our support and we will make dissemination of research and other activities.

Argentina: I also admit some lack of action, perhaps because I was not present at the last meeting. Perhaps a letter reminding the pending actions from the meeting would be very useful.

The EC decided that reminders would be sent to country representatives of the IAI-related actions to be carried out in their countries some time after the meetings. (*Action 8*)

9. Relations with the Host Country

IAI Director: The Host Country relations have been point of discussion for a considerable time. There are two main issues:

1) Support staff that is provided to the Institute by Brazil

The staff has been contracted through labor supply companies. At the beginning the contract was given to an agency used to supplying qualified staff for the Brazilian Space Agency and it worked well for some time. About four years ago that became impossible and since then our staff has seen a 40% decrease in salary which the IAI supplemented. The staff has been under three or four different contracts from different companies since then and is now again in an emergency contract until the end of the year. We renewed contacts with INPE and I am sure of their good will to solve the situation. We have arrived at a consensus between INPE and the IAI that without direct intervention of the Ministry of Science and Technology this problem cannot be solved. We are working with the Ministry to find a way, perhaps through a UN agency, to contract our staff on a more permanent basis so that people have job security and we can rely on the staff that over many years has learn how to work for the IAI. It is very important for us to maintain our staff and the experience they have. We hope to come to a final resolution by the end of the year.

2) Host Country Agreement

We are hosted by the Brazilian Government at the Space Agency Headquarters in Sao Jose dos Campos. The international staff has the status of international civil servants or diplomats and some of the Brazilian national staff who are in international positions are not exempt from income tax as they would be in a UN organization. The reason for this is that the Host Country Agreement predates many of the legislative changes that Brazil implemented with other international organizations. That means that currently the IAI contributions to the Brazilian Treasure in terms of income tax and social security contributions exceed the Brazilian contribution to the IAI. That clearly is not a desirable state of affairs and we have presented the Brazilian representative a suggested amendment to the Host Country Agreement in order to obtain a tax exemption even for the international staff of Brazilian nationality in equivalence as of other international. That proposal has been moved forward within the Brazilian Government.

Brazil: The problem of the IAI turned into a problem for INPE. According to the Host Country Agreement the Brazilian Government has to provide 5 persons for the IAI. As neither the INPE nor the Minister of Science have staff to provide to the IAI, since the beginning the solution found was outsourcing and it worked during a long time, with renovations of contracts up to five years maintaining all benefits. Due to some changes in legislation that process turned more difficult and last year at the moment of renewing the contract, it was necessary to make a juridical analysis and they concluded that such kind of contract was not possible because the Brazilian Government had to provide the staff. We had several meetings at INPE and we decided to involve not only the Ministry of Science and Technology but also the Ministry of Foreign Affairs. Now we are exploring two lines: 1) through the Ministry of Science and Technology get a special permission to subcontract the staff; 2) get an authorization together with the Ministry of Planning, it would be a selective process to hire staff for a period up to 5 years, or to hire thorough other international organizations. We are working on that and the Minister of Science and Technology has been officially informed of the problem. The Ministry has to help in this problem because it is an Agreement signed by a State, not by an institution. We hope to have a solution before the end of this emergency contract. The Director of INPE stays in a vulnerable

position when he signs an emergency contract because in Brazil there is a very rigid control system and he might be punished by signing this kind of contracts if there are no solid justifications. The main obstacles we have faced in the staff issue have been juridical.

As to the Host Country Agreement, I have forwarded the suggestions made by the IAI. The juridical Department of INPE has already made the analysis. They said that the changes proposed are correct and conforming current legislation, but perhaps some further modifications in the staff issue. Now we have to find an interlocutor within the MCT, who can go on with the process. There is still a long way ahead because this has to go through the Congress, but the first steps were given.

The EC Chair thanked the representative of Brazil and the people from INPE and the Ministry of Science and Technology for their efforts to guarantee the fulfillment of the Host Country Agreement. He offered the assistance of the EC in the process if necessary.

10. Report of the SCRP

Lou Brown, Chair of the Standing Committee of Rules and Procedures, reported that during the past year the Committee had basically no serious questions or issues to address. The Committee answered one question from the Director about the process through which Member Nations are expected to approve budgets for the IAI and which are the responsibilities of the Members of the IAI.

The *IAI Director* gave some background on the question. The IAI Agreement states that every Member Country makes voluntary contributions. With the idea of voluntary contributions, in my reading, the Conference of the Parties comes together and the delegates approve an annual budget. When this budget is approved, the IAI Directorate has no other option than relying on these contributions actually coming in. Once we have had the approval for the annual budget, we need a firm way of operating with that annual budget. If after the approval of the country representatives at the CoP for that fiscal year, somebody backtracks on the vote and says ‘yes, but they are only voluntary and therefore we do not need to pay them’ then the IAI has a serious problem, as we have had during the past year. That is why the question was sent to the SCRP.

Lou Brown: According to the Agreement establishing the IAI, the CoP approves long-range plans, and annual program and budget. So the IAI has the right to expect that people who are credited by their Governments to attend and Participate in Conference of the Parties shall be authorized by their Governments to commit resources that those Governments have approved through their internal processes. That was the answer we provided according to our understanding of the original question. Now, if the question is ‘what happens if a national accredited delegation comes to a meeting, participates and makes a commitment on behalf of his or her country for a certain amount of money and then does not provide those funds?’; that is a question we have not addressed. From my experience, with the rules and with the Agreement that is a very difficult issue to address because I think there is no prevision in the Agreement or the Rules for the IAI to require legally in any way a Government to follow through on its commitment. I believe the key word in this process is that contributions are voluntary. We will be pleased to examine this issue over the coming year.

Director: It is a difficult decision. El IAI as international entity has no force within the countries, but at the same time, for the IAI is fundamental to know if countries will pay or not. We understand that there are some particular problems that prevent countries from paying. For example, I thank Cuba for having informed at the beginning of the year that they would not be able to pay due to hurricanes in 2008. This at least gives the opportunity to plan the activities of the year and cope with a reduced budget. In other

cases we receive no contributions and we have no previous notice and that is what leads us to critical situations. Even if contributions are voluntary, the CoP should imply a certain compromise and in case countries cannot fulfill their commitments at least they should keep us informed of the situation.

Canada: Perhaps changing the wording from voluntary to something mandatory may not be the right tool and we may lose more members. Perhaps we could create a reserve fund as in the IPCC and other institutions.

Lou Brown: the term *voluntary* was used in the original Agreement because if we used the term *mandatory*, it would require in many cases of governments in the region higher levers of approval and authorization of the Agreement. It was recognized by the Parties that the term *voluntary* could cause problems. Article 13 of the Financial Provisions of the Agreement states very clearly that the Parties recognize that regular contributions to the operational budget are essential to the success of the Institute and that such contributions shall take into account the research resources of the contributing parties. I think one of the reasons the IPCC has not have problems with voluntary contributions is because the work the IPCC does is recognized by virtually every country as being scientifically excellent and very important. Therefore, countries follow the indicated financial contributions. We always have had the hope in the IAI that Governments will be so enthusiastic about what the IAI is doing scientifically that they would make what we consider to be relatively small contributions to the IAI Core Budget

IAI Director: the critical difference is that the IAI is funding research to a third degree and the IPCC is doing assessment for direct policy impact. What we need to achieve here and for the future of the IAI is that we link these two worlds. For that purpose, we need the input of Member Countries; we need to know their ideas and needs.

Lou Brown: I would just like to note that the IAI does have a great deal of flexibility for obtaining funding from sources other than Member Countries. We know that the Directorate has been very active in this respect.

IAI Director: That extra funding we have raised is for Program funding, not for our operation. Besides, this additional funding usually brings more responsibilities and new activities for the Directorate.

The *EC Chair* noted that the extra funding raised by the Directorate is an additional service for all the Member Countries in terms of research and other activities.

11. Strategic developments in Science and Capacity Building

IAI Director: There are global change programs that operate globally like the IGBP, the IHDP and others. They are relatively cohesive bodies that through a lot of consultation develop a scientific agenda on the themes that they believe are critical for global change science. They use a top-down approach: a global think-tank thinks about what are the critical issues, they communicate this through national focal points and then these countries will make an effort to obtain funding for such activities with the endorsement of the organization that thought of the themes.

The IAI has worked in reverse mode. We have a scientific Agenda that is very broad. Based on that Scientific Agenda the IAI has made call for proposals that were totally open. That is the bottom-up approach that the IAI has used in the past. The CRN I was completely open, proposals were funded after a peer review evaluation, science run its course and resulted in hundreds of publications and the establishment of networks. For the CRN II the IAI followed the same approach except that that time decided to add value and embarked in the first science synthesis. A volume on Policy Relevance and

How to Communicate Global Change Science to Society, together with SCOPE and Published by Island Press; a volume on Applying Ecological Knowledge to Landuse Decisions that was published together with IICA and SCOPE, and a number of policy briefs, and other materials were produced from these peer-reviewed projects.

We already know that the IAI can manage excellent science, but as we approach year 3 and 4 of the CRN II we should ask which is the additional value added that we should be developing now. We are producing several synthesis materials such as the 2 pages-summaries of the science. When the IPCC got into trouble due to the statement on the Himalaya's glacier, within one week the scientists involved in the IAI Program had put three pages of a policy statement together explaining the situation of glaciers in the Americas. That was produced by independent scientists sponsored by the IAI who have their own programs. That is an example that shows that the IAI is not only funding, but also bringing scientists together. We can add value by combining disciplines, by asking scientists them about their role in society, and in global change, etc.

My question to the EC and to the SAC is what shape the next scientific Program should take. Should it again be an open call or should we ask scientists to not only give us a proposal on their science but also on plans for communication, on plans for networking, on plans of integrating their efforts with the regional or local governments. There is a whole range of possibilities from the top-down to the bottom-up approaches. I personally would not favor any because I think we are heading now to the most creative way, of allowing the creativity of scientists to shape proposals but at the same time motivating those scientists to integrate themselves and to think very seriously about the needs of the region and of the Member Countries in terms of global change research. We should decide on where we search for the balance between the creativity of the science in open proposals versus the more policy-oriented goals that should be the added value activity of the IAI as an Institution. I think this is a critical discussion for the future planning of the IAI.

SAC Chair: I support the approach the IAI Director is describing. The challenge we have at the IAI is how we balance physical science, social science and policy involvement. We need to dedicate some efforts to do that.

EC Chair: The IAI has been trying to develop a strategic plan for several years. Various documents emerged from that process, which are on the same line of what the IAI Director and the SAC Chair have expressed. To fill the gap between scientific results and policies is necessary that decision makers (whether it be farmers or Ministries) are included in a scientific project since its beginning. The communication between scientists, decision makers, general public, and training networks to disseminate practices is of fundamental importance. This has changed between CRN I and CRN II. Now we are in the process of designing CRN III, since the call to the synthesis. We could also think of a 5-year-period for this kind of program. Should we make an open call or should it be oriented?

Argentina: I think both approaches are valid. CRNs should be open to the scientist's initiatives. On the other hand, when an external foundation, such as the MacArthur, has a specific interest in one of the IAI areas, we could guide the call. The synthesis process is of fundamental importance. We should follow the example of the IPCC summary for policy makers, something that is easy to disseminate and understand.

Cuba: We support the idea of a continuous dialogue between scientists and decision makers. The needs of the countries in the region should always be taken into account when defining research themes; and training activities should be targeted to a wide number of countries. We also support every initiative that

prioritizes the Caribbean Insular Region as well as the creation of new cooperative research networks. This is an urgent need due to the impact of global change in insular systems.

IAI Director: We have created communication and cooperation networks between scientists. Now we need a mechanism to add politicians to these networks throughout the continent. Perhaps we could think of joint workshops, this requires very specific activities and attractive for policy makers.

Colombia: I agree with all interventions regarding importance of the political component. In Colombia, vulnerability reduction and mitigation are considered development issues.

The EC requested the Directorate to insert an item in the agenda of future meetings, that the scientific achievements of the IAI projects during the past year be presented where the links of those projects with policy and other programs of the different countries be highlighted. *Action 9*

12. IAI Mission and Strategic Plan

IAI Director: For many years we have had many consultations with MC about the important themes that the IAI should engage in: forestry, agriculture, hydrology, oceans, contamination... Basically, the responses that we got back were that they are all. That is not very helpful in terms of developing a program for the IAI that lets it play a useful role between science and informed policy. On one hand, the IAI has achieved the excellence in science. But to move beyond the science it should also integrate policy makers in its networks.

In addition, every country has government science institutions. These institutions do the work that the government decides it is important to do. At the same time every country has science funding councils and they operate in open calls but very often they insert priorities in these calls. Therefore, IAI representatives are in a position to say in which areas the IAI could be useful in linking local efforts to the efforts abroad. In that cases the IAI acts as facilitator.

We need a dialogue with national funding agencies to identify what is the best role to play for the IAI. Countries can use the IAI as a broker, to bring activities together among different countries and be useful not only in the scientific excellence but also in the excellence IAI has achieved in terms of networking in the continent. Let's use the experience of IAI in different countries. IAI can also promote the dialogue science-policy with quality control.

SAC Chair: Just a reflection about why the SPC did not work. It is a very complex issue. All of us are volunteers. It is difficult to have 4-5 people working on this if they are very busy. We should create a mechanism for this

Colombia: All countries have some results from their climate change projects and many times they are not disseminated to other countries that could also use them. On the other hand, there are no follow up strategies for the workshops. We should take profit of the opportunities of cooperation.

EC Chair: The IAI has planned the different activities within the existing projects in order to optimize resources and to create a sense of community. Mi vision is that the IAI turns into a resource for various communities, where for example students can find fellowships and make contacts with other organizations; where politicians can ask about the experts on a determined problem. The IAI can also

inform about research with inputs from other institutions outside the region. Finally the IAI could be a synthesis center where different organizations requiring information (from universities to mass media) could turn to.

Canada: Our role is stated in the mission, basically provide info to decision makers. We are doing that so that they change their behavior or adapt.

Some information priorities for Canadians: Global climate modeling moving to regional climate modeling; Seasonal weather forecasting (e.g. for agriculture); Understanding the impacts of a changing climate on vulnerable ecosystems (glaciers, grasslands, highlands...); Predicting severe weather; Bioenergy map. I think networking is the right way to work. I like the idea of N-S collaborations. Besides, face-to-face meetings with the people that need the information have been very useful in Canada. They are very good at promoting where useful information for them comes from

IAI Director: Regional Climate Modeling (RCM) is something that everybody needs. In a month we will have a workshop and we will be trying to develop RCMs not by downscaling but by upscaling of and weather forecasts as an alternative to the downscaling of the GCMs (general circulation models). The question is how can we link this to your concern. The impact on agriculture and crop insurance: we have one project in which seasonal forecasting and crop growth models are being tested in southern Brazil and Paraguay and Northern Argentina and now they have added the modeling of crop diseases. They are working with cooperatives and other organizations to solve that problem. How we can take this project to another country?

We also have projects that deal with vulnerable ecosystems. Many of the themes exist in the currently science program, so how do we bring the experiences to other countries? How we can start the dialogue? We should find a vehicle to facilitate it.

Canada: I think it is up to us representatives to look for those linkages. In Canada we are moving away from funding individual projects to funding networks and that is an opportunity.

EC Chair: I commit, together with the IAI Director, to prepare a draft document about these issues and a draft strategic plan within a period of 6 months. The SAC will also cooperate in the Strategic Plan. Our goal is to have a document almost ready to be forwarded at the next CoP

Based on the discussions held at the present meeting, the Director and Paul Filmer will prepare the first draft of the strategic plan to be distributed among EC representatives. The SAC will also participate in the process. (*Action 10*)

13. Issues to be forwarded to the CoP

The EC decided to forward or elevate the following items to the CoP: Actions 5, 6, and the report of the SAC nominations committee as stated in Action 4. (*Action 11*)

14. Adjournment

The EC Chair thanked all the delegates and, on behalf of the EC, he specially thanked Brazil for hosting the Meeting. It has been his last meeting as Chair of the Executive Council. He also thanked the interpreters, the IAI staff, and the local support staff for their work. The meeting was adjourned.



**29th Meeting of the IAI Executive Council
8 June 2010, Brasilia, Brazil**

Action List

1. The EC approved the Agenda of its Twenty Ninth Meeting with the following additions:
 - Reports to be approved are EC 27 and 28.
 - Discussion and approval of the Financial and Administrative Committee charter.
2. The EC approved the report of its 27th meeting with the following modification:
English version, page 13, third paragraph, indicates that the intervention presented as by the USA, was actually the opinion of Lou Brown. The Spanish version will be modified accordingly (also page 13 in that report).
3. The EC approved the report of its 28th meeting with no modifications.
4. The EC decided that members of the Committee to recommend candidates for the election of the IAI SAC members would be Argentina, Brazil, Chile, Cuba, Venezuela and the SAC Chair. The report of this committee will be presented at the meeting of the Conference of the Parties during the morning session of day 1.
5. The EC received the Auditor's Report of the Financial Statements for the years ended June 30, 2008 and 2009, and will forward it to the CoP.
6. The EC discussed the Core Budget request and level of Country Contributions for 2010-11 and will elevate them to the CoP for approval.
7. The EC approved the charter of the Financial and Administrative Committee. Membership for this committee is open, and new participants are welcome. Renewed memberships are Brazil, Canada, and the US; the IAI Directorate as an ex-officio member.
8. The EC decided that reminders would be sent to country representatives of the IAI-related actions to be carried out in their countries some time after the meetings.
9. The EC requested the Directorate to insert an item in the agenda of future meetings, that the scientific achievements of the IAI projects during the past year be presented where the links of those projects with policy and other programs of the different countries be highlighted.
10. Based on the discussions held at the present meeting, the Director and Paul Filmer will prepare the first draft of the strategic plan to be distributed among EC representatives. The SAC will also participate in the process.
11. The EC decided to forward or elevate the following items to the CoP: Actions 5, 6, and the report of the SAC nominations committee as stated in Action 4.

FINANCIAL AND ADMINISTRATIVE AD HOC COMMITTEE

Expires at the conclusion of the first meeting of the Executive Council in 2012

Charter: The Financial and Administrative Ad Hoc Committee (FAC) is charged with acting on behalf of the Executive Council in matters related to planning, preparation and implementation of IAI financial, administrative and project management issues. These responsibilities include:

- Review and approve terms and conditions of IAI Directorate staff salaries and benefits;
- Review and approve policies for cost of living and merit increases;
- Recommend to EC changes to member country contributions;
- Review financial accounts and cash flow against approved Core Budget, Programmatic Budget and Other Funds;
- Review draft Core Budget prior to presentation to EC and CoP;
- Review and approve changes to IAI administrative and financial procedures and manuals; and
- Other duties as assigned by the Executive Council.

Composition and Mode of Operation: Membership is open to all EC member countries and is for a two-year period, with the IAI Financial Officer as a member *ex-officio*. The members of the Financial and Administrative Ad Hoc Committee elect the Chair. The Charter and membership will be reviewed every two years.

The FAC will interact regularly with the IAI Directorate through the Director. If such consultations identify an issue regarding which the FAC and the Directorate cannot agree, the issue will be referred to the Executive Council or to the Bureau, whichever is most timely. The Financial and Administrative Ad Hoc Committee will report to the Executive Committee at each EC meeting.

FAC members typically pay the costs associated with attending meetings of the FAC. However, the Directorate may, based on need and availability of funds, support expenses for the attendance at Financial and Administrative Ad Hoc Committee meetings.

Current Membership: Brazil, Canada, United States, and IAI Financial and Administrative Officer (*ex officio*)

ACRONYMS

AAAS	American Association for the Advancement of Science
CoP	Conference of the Parties
CRN	Collaborative Research Network Program//Programa de Redes de Investigación Cooperativa
EC/ CE	Executive Council / Consejo Ejecutivo
FAC	Comité de Finanzas y Administración (del CE) / Financial and Administrative Committee (of the EC)
GEC	Global Environmental Change/ Cambio Ambiental Global
IHDP	International Human Dimensions Programme
IICA	Instituto Interamericano de Cooperación para la Agricultura
IDRC	International Development Research Center (Canada)
IGBP	International Geosphere-Biosphere Programme
INPE	Instituto Nacional de Pesquisas Espaciais
IPCC	Intergovernmental Panel on Climate Change
LPB	La Plata Basin / Cuenca del Plata
NSF	National Science Foundation – USA
OAS / OEA	Organization of American States / Organización de Estados Americanos
PI	Principal Investigator / Investigador Principal
SAC	Scientific Advisory Committee / Comité Asesor Científico
SBSTA	Subsidiary Body on Scientific and Technological Advice
SCOPE	Scientific Committee on Problems of the Environment
SCRP	Standing Committee for Rules and Procedures (of the CoP)/Comité Permanente de Reglas y Procedimientos
SPC	Strategic Planning Committee / Comisión de Planificación Estratégica
UN / ONU	United Nations / Organización de las Naciones Unidas
UNDP/PNUD	United Nations Development Programme Programa de las Naciones Unidas para el Desarrollo
UNEP / PNUMA	United Nations Environment Programme / Programa de las Naciones Unidas para el Medio Ambiente
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC/CMNUCC	United Nations Framework Convention for Climate Change / Convención Marco de las Naciones Unidas sobre el Cambio Climático
WCRP	World Climate Research Program