ORIGINAL: INGLÉS

30 April 2026

EXECUTIVE COUNCIL TO THE INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH
Sixty-first meeting
Videoconference
3 June 2026
Agenda item 4

Overview of the Financial Status for FY 2025-2026

1. This document, prepared by the Directorate of the Inter-American Institute for Global Change Research (IAI), presents a summary of the financial statement for fiscal year 2025–2026, as well as the status of contributions from Parties as 31 March 2026.

Background

1. The Agreement for the *Creation of the Inter-American Institute for Global Change Research*, Article XIII, Financial Provisions, paragraph 1, establishes:

> *A budget of operational expenses for the Institute, consisting of salaries for the Directorate and basic support for the Directorate, Scientific Advisory Committee, and Executive Council shall be supported by the voluntary contributions pledged annually for a three-year period by the Parties in accordance with the interests of the Parties. Such pledges shall be in increments of US$ 5,000. The adoption of the annual budget shall be by consensus of the Parties. 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.*

[1] Text underlined by the Directorate. The underlined text identifies the proposed amendments to Article XIII

2. The Conference of the Parties, at its 26th meeting (CoP-26, Antigua, 2018), adopted Decision XXVI/3 which instructs Parties to:

> *… submit their contributions to the Core Budget in a timely manner and in accordance with the basic scale. It also encourages Parties to make extraordinary contributions above their regular contributions whenever possible and as appropriate.*

3. CoP-26 also adopted Decision XXVI/4 which invites Parties to:

> *… to submit their contributions as far as possible during the year prior to the one to which they relate or, otherwise, by the beginning of the calendar year to which the contributions apply.*

Financial Status for fiscal year 2025-2026

Contributions from Parties

4. As of March 31, 2026, contributions received represent approximately 36% of approved contributions for fiscal year 2025–2026.

5. This level of implementation reflects, in part, the non-approval of the corresponding contribution to the United States of America for the current financial year, as well as its subsequent decision to withdraw from the Institute.

6. This situation has had a direct and significant impact on the Institute's income structure, contributing to the gap between budgetary commitments and the resources available.

7. In this context, the Directorate reiterates to Parties the critical importance of the timely delivery of their contributions, given that late or non-payment of payments directly affects the operational capacity of the Institute and limits the full implementation of its mandate.

8. Parties are urged to strictly observe the provisions of Decision XXVI/3 on timely and proper compliance with contributions.

Table I presents the value of voluntary contributions for the years 2025-2026 and 2026-2027

Table I

	Fiscal Year 2025-2026	Fiscal Year 2026-2027
Argentina	82.800	82.800
Bolivia	6.000	6.000
Brazil	144.000	144.000
Canada	207.600	207.600
Chile	9.600	9.600
Colombia	15.600	15.600
Costa Rica	6.000	6.000
Cuba	6.000	6.000
Dominican Republic	6.000	6.000
Ecuador	6.000	6.000
Guatemala	6.000	6.000
Jamaica	6.000	6.000
Mexico	102.000	102.000
Panama	6.000	178.800
Paraguay	6.000	6.000
Peru	7.200	7.200
Uruguay	6.000	6.000
USA (*)	997.200	
Venezuela	54.000	54.000
Totals	**1.680.000**	**855.600**

Status of the Core Budget and Expenditures

Expenses

9. Table II presents the accumulated expenses as of March 31, 2026, corresponding to nine months of the fiscal year.

10. Overall, expenditure executed is approximately 17% below the operational budget, reflecting prudent and efficient management of available resources, particularly in the context of revenue constraints.

Table II

Budget Performance
July 2025 - March 2026
Amounts in US$

Category	Actuals 2025/2026	YTD Budget 2025/2026	Difference	%
Salaries & Benefits	901.317	942.104	(40.788)	-4%
Travel & Training	5.965	85.088	(79.123)	-93%
Equipment	4.500	4.500	-	0%
Operational Costs	136.730	185.108	(48.379)	-26%
Dissemination & Outreach	1.200	2.700	(1.500)	-56%
Director's Fund	-	40.500	(40.500)	-100%
Total	**1.049.711**	**1.260.000**	**(210.289)**	**-17%**

Salaries and benefits

11. The item allocated to salaries and benefits experiences a decrease of 4% in relation to the budget for the 2025-2026 financial year. However, the Directorate estimates that, at the end of the current fiscal year, disbursements will be fully adjusted to the amounts allocated in the annual budget.

Travel

12. Expenditure associated with travel and training shows a reduction of 93% compared to what was planned.

13. This decrease is due to an active policy of prioritization of resources and the search for external financing, reflecting the institutional effort to sustain operations in a restrictive financial context.

Equipment

14. Expenditure on equipment and software reached 100% of the planned budget execution.

15. This investment made it possible to strengthen the technological infrastructure and ensure the continuity of administrative and programmatic functions.

Operational costs

16. Operating costs are down 26%, attributable to rigorous monitoring of services and optimization of resource use.

17. However, expenditure commitments are maintained to be executed before the end of the fiscal year.

Administration

Internal control

18. The Directorate received the report of the external auditors for the past fiscal year (2024/2025).

Accounting & Information Management Software

19. Information management and accounting software, SAP, continues to contribute to more efficient administrative and financial controls to the budget and provides more manageable information used by the management of the Directorate.

Recommendations

20. The Conference of the Parties is invited to take note of this document.

Core Budget and Party Contributions for FY 2026-2027 and Preliminary Request for FY 2026-2027

Core Budget: Introduction

1. This sub-paragraph presents the proposed core budget and contributions of the Parties for the fiscal year 2026–2027.

Institutional Context

The extraordinary meeting of the Conference of the Parties on 9 March 2026 approved an operating scenario based on an Interim Directorate and a reduced institutional structure, subject to review after six months.

In this framework, the Restructuring Commission met on three occasions, carrying out a detailed analysis of different institutional and financial scenarios.

As a result of this process, the Commission agreed to recommend to the Conference of the Parties the adoption of a conservative scenario, considering that this is the most viable alternative to ensure the operational sustainability of the Institute.

This recommendation is supported by several Parties, including Brazil, Colombia and Panama.

Budget Approach

The proposed budget is based on a conservative structure, aligned with the historical performance of Parties' contributions and with realistic income projections.

This approach is currently the most viable alternative to ensure the financial sustainability of the Institute in the short and medium term.

Critical functions, immediate execution capacity, and institutional continuity are prioritized.

It is also recognized that new hires would imply higher costs, adaptation times and operational risks

Current situation

With the funds currently available, the Institute can sustain its operations until June 2027 under the proposed structure.

This provides a window of operational stability, allowing Parties to assess strategic decisions on the institutional future.

The reduced structure allows essential functions to be maintained, current commitments to be fulfilled and to ensure the continuity of ongoing projects.

Expected revenue

In addition to the funds currently available, revenues are projected for the 2026–2027 fiscal year.

However, these projections are based on prudent assumptions and do not constitute firm guarantees, so financial planning remains aligned with prudent criteria.

Implementation

As of July 2026, a reduced institutional structure will be progressively implemented, aimed at:

- Sustain the minimum operation of the Institute
- Ensure the continuity of ongoing initiatives
- Adapt the organizational structure to the actual availability of resources

Budget request for fiscal year 2026-2027

1.The comparison of the core budgets for 2026/2027 – 2025/2026 is presented in Table I.

Comparison of Core Budget

Table I: Budget Comparison 2026/2027 – 2025/2026
Summary by major category

Amounts in US$	Fiscal Year 2026-2027	Fiscal Year 2025-2026	Difference
Salaries & Benefits	568.948	1.256.139	(687.191)
Travel	-	113.450	(113.450)
Equipment	-	6.000	(6.000)
Operational Costs	103.729	246.811	(143.082)
Dissemination & Outreach	-	3.600	(3.600)
Director's Fund	-	54.000	(54.000)
Total	**672.677**	**1.680.000**	**(1.007.323)**

Comparison of Contributions of Parties to the Core Budget

	Fiscal Year 2025-2026	Fiscal Year 2026-2027
Argentina	82.800	82.800
Bolivia	6.000	6.000
Brazil	144.000	144.000
Canada	207.600	207.600
Chile	9.600	9.600
Colombia	15.600	15.600
Costa Rica	6.000	6.000
Cuba	6.000	6.000
Dominican Republic	6.000	6.000
Ecuador	6.000	6.000
Guatemala	6.000	6.000
Jamaica	6.000	6.000
Mexico	102.000	102.000
Panama	6.000	178.800
Paraguay	6.000	6.000
Peru	7.200	7.200
Uruguay	6.000	6.000
USA (*)	997.200	
Venezuela	54.000	54.000
Totals	**1.680.000**	**855.600**

Recommendation

1. The Executive Council is invited to take note of the provisional decision contained in the Annex to this document.

Annex

Provisional decisions of the Conference of the Parties Core Budget

Directed at the Conference of the Parties

XX The Conference of the Parties accepts and approves the core budget for the fiscal year 2026-2027.