

**INTER-AMERICAN INSTITUTE FOR
GLOBAL CHANGE RESEARCH**



EC-XVIII

*December 4-5, 2003
San José, Costa Rica,*

2_ECXVIII/DWD/English/November 25, 2003

**Minutes of the Seventeenth Meeting of the IAI Executive Council (EC)
Boulder, Colorado, USA
June 2-3, 2003**

TABLE OF CONTENTS

Agenda

- 1. Opening Session**
- 2. Approval of the Agenda**
- 3. Approval of the Report of the Sixteenth EC Meeting**
- 4. Report of the Executive Council Chair**
- 5. Report of the IAI Directorate**
- 6. Report of the Scientific Advisory Committee (SAC)**
- 7. Report of the Rules & Procedures Standing Committee (RPSC)**
- 8. Report of the Financial and Administration Policy Working Group (FAWG)**
- 9. Report of the EC Bureau defining its functions and the functions of each of its members**
- 10. Composition of the Nominating Committee for the election of SAC members**
- 11. Approval of the items forwarded to the CoP**
- 12. Approval of Action Lists**
- 13. Future Sites and Meetings**
- 14. Adjournment of the Meeting**

Annex: Science Agenda

Action List EC-XVII (day 1)

Action List EC-XVII (day 2)

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.

**17th Meeting of the IAI Executive Council (EC)
June 2 and 3, 2003 – Boulder, CO, USA**

AGENDA

Monday – June 2, 2003	Day 1
------------------------------	--------------

- Morning session (08:30 – 12:00) -

08:30 - 9:00 Registration

Opening ceremony

*Representative of the USA
EC Chair: Antônio Mac Dowell*

Approval of the Agenda

Approval of the Report of the 16th Meeting of the EC

Report of the EC Chair:

A. Mac Dowell

- *Activities charged to the EC and its Bureau;*
- *Activities, actions and decisions of the EC Bureau or its members;*
- *EC items to be forwarded to the CoP.*

10:15 – 10:30 Coffee Break

Report of the IAI Directorate:

Gustavo V. Necco and the IAI Staff

- *Overview from the IAI Director (Gustavo V. Necco);*
- *Overview of the Science Programs (Gerhard Breulmann and Eduardo Banús);*
- *Overview of the Communications, Training and Education Area (Marcella O. Schwarz).*
- *Overview of the Financial Status of the Core Budget for FY 2002/2003, Budget for FY 2003/2004, and Voluntary Contributions for 2003-2006 (Silvio Bianchi);*

12:00 – 02:00 Tour to NCAR Research Aviation Facility in Jefferson County Airport (a “box lunch” will be offered during the tour).

- Afternoon session (02:00 – 06:30) -

Report of the Scientific Advisory Committee (SAC) Chair

Walter Fernandez

Report of the Working Groups/Task Forces/Committees:

- *Standing Committee for Rules & Procedures Louis Brown*

04:00 – 04:15 Coffee Break

Report of the Working Groups/Task Forces/Committees (cont.):

- *Financial and Administration Policy..... Vanessa Richardson*

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

EC Bureau

Support: Marcella Ohira Schwartz Eduardo Banús
Elvira Gentile

The EC Chair stated that with 5 EC members present, there was enough quorum to start the meeting.

As the EC Vice-chairs were not present at the beginning of the meeting, the EC elected the delegate of USA, Dr. Jim Buizer, as acting Vice Chair at its 17th meeting (*Action 2 – Day 1*).

2. Approval of the Agenda

The EC approved the agenda of its Seventeenth Meeting with two modifications:

- the nomination of the Committee to select final candidates for the election of the IAI Scientific Advisory Committee (SAC) member was postponed until the following morning.
- In the item *Report of the EC Chair*, where it reads “Activities charged to the EC by the CoP at its last meeting” it should read: “Activities charged to the EC **and its Bureau**”; Where it reads “EC activities, actions and decisions”, it should read “Activities, actions and decisions **of the EC Bureau or its members**” (*Action 1 – Day 1*).

3. Approval of the Report of the Sixteenth EC Meeting

The EC approved the Report of its Sixteenth Meeting with no modification (*Action 3 – Day 1*).

4. Report of the Executive Council Chair

The EC Chair, Antônio Mac Dowell, reported on the:

- *Activities charged to the EC and its Bureau*;
- *Activities, actions and decisions of the EC Bureau or its members*;
- *EC items to be forwarded to the CoP X*

- *Activities charged to the EC and its Bureau*

- According to *Action 5, day 1, of EC 16 (December 2, 2002)*, since the functions of the EC Bureau are not clearly specified in the Standing Rules of the EC, the EC requested the EC Bureau to prepare a document defining its functions and the functions of each of its members.

The EC Chair informed that the 2nd Vice Chair, Bárbara Garea, had prepared a proposal and submitted it to the other members of the Bureau and other previous EC Bureau members. After incorporating all comments, a final document was arranged; -Document 14.ECXVII/DWD/Eng/May 16, 2003-, that would be presented in the afternoon session.

- According to *Action 7, Day 1 of EC 16, (December 2, 2002)* the EC requested the Standing Committee for Rules and Procedures to discuss and prepare a proposal to reduce the number of EC and CoP meetings and to modify the IAI documents as appropriate.

The EC Chair informed that the Chairman of the Rules Committee (Lou Brown) had prepared a proposal that would be presented as Document 12.ECXVII/DID/Eng/May 20, 2003

- According to *Action 8, Day 1, of EC 16, (December 2, 2002)* the EC Chair had requested that comments on the Standing Committee for Rules and Procedures memo regarding “basic support” (document 8_ECXVI) be sent to the Chair of the Committee, Louis B. Brown, via e-mail and that a decision would take place at the next EC meeting in June 2003.

The EC Chair informed that the Chairman of the rules Committee had not received any comments, but he made further research and the results would be presented in 12.ECXVII/DID/Eng/May 20, 2003

- According to *Action 3, Day 2 of EC 16, (December 3, 2002)* as the new members of the Financial and Administrative Policy Working Group (FAWG) would have to be elected at EC 17, the redefinition of its

composition and the decision on whether members should be elected by country or by person were postponed until that moment.

The EC Chair explained that this item was included in Document 13.ECXVII/DID/Eng/May 1, 2003

- According to *Action 4, Day 2, of EC 16, (December 3, 2002)* as the composition of the Standing Committee for Rules and Procedures will have to be redefined at the next EC meeting, the decision on whether members should be elected by country or by person was postponed until that moment. This decision will be then forwarded to the Tenth CoP Meeting.

The EC Chair explained that this item was included in Document 12.ECXVII/DID/Eng/May 20, 2003

- According to *Action 5, day 2, from EC 16, (December 3, 2002)* the EC requested the EC Chair to send a letter to Dr. John Stewart in recognition of his services as IAI Interim Director during the period April to September 2002.

The EC Chair informed that he had already sent the letter.

2) Activities, actions and decisions of the EC Bureau or its members

The EC Chair reported on the following activities (in this case, activities from the EC Chair only):

- He attended the 18th meeting of the SAC and the y CRN meeting in Mendoza, Argentina, January 2003.
- He participated in two meetings at the IAI Directorate: one from the FAWG and one regarding CRN 38.

3) EC items to be forwarded to the CoP X

The following items would have to be discussed and approved by the EC to be forwarded to the CoP:

- Auditors Report of the Financial Statements as of June 30, 2002, (document 4_ECXVI) – (*Item 4, Day 1 of EC16*)
- Document 14.ECXVII/DWD/Eng/May 16, 2003 defining the functions of the Bureau and the functions of each of its members. The Chair stated that if this document was considered as an addendum to EC Rules, it had to be approved by the CoP (because according to the agreement of Montevideo, the EC Rules should be approved by the CoP). If it is not understood as an addendum of the EC Rules of Procedure, then there would be no need for CoP approval. The Chair would ask for the advice of the SCRIP in this point.
- Proposal to reduce the number of EC and CoP meetings and to modify the IAI documents as appropriate; definition of “basic support”; composition of Standing Committee on Rules of Procedure (document 12.ECXVII/DID/Eng/May 20, 2003).
- Annual program (document 11.CoPX/DWD/Eng/April 30, 2003)
- New Science Agenda (addendum document 7.ECXVII/CoPX/DID/Eng/April 2003)
- Core budget request and country contributions (document 9.ECXVII/CoPX/DWD/Eng/April 2003)

In addition, the EC would inform Cop X of the following actions from EC 16 (approval of CoP not required):

- document “An Analysis of IAI *ad hoc* Committees (document 9_ECXVI)
- document 13.ECXVII/DID/Eng/May 1, 2003 from the FAWG.

5. Report of the Directorate

The IAI Director, Gustavo Necco, started his report by thanking NSF for the excellent facilities they provided for the meetings. The IAI Director explained that his report covered the period from the XVI EC meeting in Panama (December 2002) 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 Education issues and Silvio Bianchi would present the Financial Report. Within Science Activities there would also be a report from the CRN Manager, Eduardo Banús, about the CRN progress.

- *Overview from the IAI Director*

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

As suggested at the previous EC meeting the Directorate actions and activities were based in 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 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.

As recommended by EC-XVI the Director sent letters to the IAI member countries part of the EC requesting them to formally nominate their corresponding representatives and alternates (in some cases, there was no response).

Visibility of IAI

Practically all the staff is engaged, not only the professional staff but also the administrative. Regarding Strategy Six, all Directorate staff involved in improving IAI visibility and disseminating its work. During this period, visits to many different institutions were performed. There was an active participation in various events presenting the activities and programs of the IAI, and support was provided to several activities of sister institutions.

Agreements with other organizations

- MoU with (UN affiliated) CRETEALC (Regional Centre for Space Science and Technology Education in Latin America and the Caribbean) was finalized and officially signed on 14 April, 2003
- MoU between the IGBP and IAI was discussed and agreed. Official signature before the end of this year
- Support to two ENRICH bids (about one million Euro each) presented to the EU Framework 6 for a Specific Support Action: *Project entitled "An Integrated Pan-Amazonian Contribution to the ENRICH" (PANAMAZONIA)" and CLARIS Project*

Fund rising activities

- Organization of American States (OAS)/Inter-American Agency for Cooperation and Development (IACD):
- United Nations Development Programme (UNDP)/ BCPR
- *Under negotiation* :U.S. National Oceanic and Atmospheric Administration (NOAA)/Office of Global Programs (OGP); U.S.AID; United Nations International Strategy for Disasters Reduction (ISDR); Economic Council for Latin America and the Caribbean (ECLAC); Center of Investigation and Superior Studies in Social Anthropology (CIESAS), Mexico.
- *In kind contributions*: Brazil's Instituto Nacional de Pesquisa Espaciais (INPE), University of São Paulo/CENA and France's Institute for Research and Development (IRD)

IAI's internal procedures and structure

Regarding internal Directorate matters, the Director informed that a full review of the present job descriptions of the staff was under implementation to adjust them to a proper accomplishment of the above-mentioned strategies. In parallel, the annual Directorate objectives were being designed for the fiscal year 2003/2004 (based on the Annual Program presented for consideration of this EC) to be cascaded-down to the staff

annual objectives and the related annual tasks and duties. The staff annual objectives and related tasks will 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. The proposed Directorate structure, with appropriate dependence relations, will consist of the Director, the Scientific Officer, the Administrative and Financial Officer, the Training, Communications and Outreach Officer, the CRN Manager, the Information Technology Manager, the Secretary to the Director, two Secretaries, the Financial Assistant, a Clerk and a Computer intern. The Directorate was also working in supporting the IAI external evaluation, the visit of NSF auditors and the regular annual financial audit.

CRN-038 « Impasse »

The IAI Director informed that the project CRN-38 was in an “impasse”. Long and unacceptable delays in presenting the financial report for the second year (due in March 2002) and a negative report from an auditing company on the financial and administrative management processes of the grantee led IAI to suspend the grantee as the responsible of the administration of the project, beginning October 2002. The situation required fact-finding missions from the IAI Financial and Scientific Officers, implemented by mid-November 2002. Although the scientific aspects of the project were proved to be sound and valuable, serious anomalies in the administrative aspects were earmarked.

Future activities

- Improving visibility & interactions with global change related institutions
 - Synthesis of scientific programs (ISP-I and ISP-II)
 - Renewal of projects (SGP-II, CRN-II)
 - Strengthening of DIS
 - Continuation of training activities (Summer Institutes)
-
- *Overview of the Science Programs*

The IAI Scientific Officer (SO), Gerhard Breulmann reported on the development of IAI science programs since the last EC meeting (EC XVI) in Panama City and on the two meetings held in Mendoza, Argentina in January 2003:

- 3rd CRN/IAI-IGBP Meeting “Building Global Change Networks in the Americas”, 27-28 January 2003
- 17th Meeting of the IAI SAC, 29-30 January 2003

The **IAI IGBP meeting** was attended by PIs, Co-PIs, SAC Members, SSC & Core Project Leaders from IGBP, staff of the IAI Directorate (incl. EC Chair) and observers from APN, DIVERSITAS, IAI-Book Editor, IHDP, NSF, NOAA, University of Mendoza, START, WCRP, ZMT.

Main outcome of the meeting:

- Information Exchange CRN - IGBP and IGBP - CRN and other organizations
- Very positive responses from PIs
- Reported in IGBP Newsletter as ‘great success’
- Enhancement of Collaboration
- Participation at relevant meetings (e.g. SAC Chair/SO to attend IGBP SSC meetings)
- MOU between IAI and IGBP ready to be signed
- Full Report in Document 8.ECXVII/CoPX/DID/Eng/April 30, 2003

Update on IAI programs:

PESCA:

- 10 (+1) projects supported; ~ US\$ 300K
 - Closed, Final Technical Report submitted to NSF, approved; extension until Oct. 2003
 - Successful Program
- PESCA Products:*
- Scientific results
 - Presentations/publications (35, including papers, reports, posters, presentations, etc.)
- Capacity Building:*
- 16 students trained
 - 7 students attended specific training courses

- 2 Master Theses developed
- 1 PhD developed
- 3 Master degrees received
- 5 Seminars jointly with ANPCyT (20 participants)
- Installation of Dendrochronology laboratory at the Universidad de Piura, Peru
- Creation of the National Disaster Database for Chile - used by local authorities for disaster prevention

Initial Science Program Round 3 (ISP 3)

- 16 projects supported, ~US\$ 1.600K
- All projects finalized, reports have been received
- Currently preparing Final Report to the NSF with Thelma Krug
- Report due on 29 June 2003
- Presentations during Science Forum

Small Grants Program (SGP)

- supports 16 projects; ~US\$ 380K
- Mid-term, some workshops held
- Supposed to end October 2003

Collaborative Research Network (CRN)

(See next item, Report by CRN Manager)

Future programs

- Seeking approval to launch SGP II
- Seeking approval to start preparations for a new round of Collaborative Research Networks

Collaboration with other programs:

APN

- APN Programme Manager participated in Mendoza
- SO participated at APN-SPG meeting
- APN launched new program 'CAPaBLE' - opportunity for collaborative research?
- 26 April 2003 SO gave presentation at APN Secretariat, participation from MOEJ & IGES

START

- 1st Young Scientists Conference, 16-19 Nov. 2003, Trieste, Italy (& START SSC meeting)
- 640 applications met criteria
- IAI region: 145 (81 LA, 64 NA)
- External Review ongoing
- A total of 100 participants will be selected
- IAI to support Regional participants

LBA

- SSC Meeting in Cuiaba, Brazil, 15-17 May 2003
- Presentation on IAI and collaborative research
- May result in proposal under SGP II (if approved) of 'Upper Amazon countries' (Bolivia, Colombia, Ecuador, Peru, Venezuela)
- Possible linkage of LBA-DIS and IAI-DIS (if IAI system is upgraded)

- *Overview of the CRN program*

The CRN Manager, Eduardo Banús, reported on the **CRN Program**.

He explained that there were 14 5- year- research projects with a total funding of about 11 millio US\$ and that this was the third year of the initiative.

He also stated that since its beginning in 1999, there has been a remarkable increase in the number of scientists and institutions involved (the initial number of scientists was 171 and nowadays it is of 347); that means that the impact of these networks is really remarkable.

Complementary funds raised by CRN scientists to date are estimated at US \$20 million and it is expected to grow.

Some figures emerging from the CRN meeting in Mendoza and the annual reports are:

- 252 PhD, MSc and undergraduates
- 29 workshops
- 250 peer-reviewed publications—articles, books, and book chapters
- 223 presentations in scientific meetings
- 18 Web pages and 11 data bases

He also mentioned that, according to a SAC request, an analysis was made of CRN publication and 52% of publications acknowledge the IAI.

Finalization dates are expected in the second half of 2004 and beginning of 2005.

- *Overview of the Communications, Training and Education Area.*

The IAI Communications and T&E Officer, 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 presented the following table showing IAI contribution to Human Resources and Brainpower in the Americas.

Support for Training & Education (1995–present)

Program/ Project	Number of Students	Degree Work or Training Activity
ISP	25 60 20 04 400	B.S. M.Sc. Ph.D. Post-doctoral Other (short courses, workshops, etc.)
CRN	90 110 112	B.S. M.Sc. Ph.D.
PESCA	2 1 27	M.Sc. Ph.D. Other (short courses, workshops, etc.)
IAI/ Global Environmental Facility (GEF) Project	301	Short courses, short-term fellowships
IAI/ UM Summer Institutes	60	Summer Institutes
Others	933	Short courses, workshops, etc
TOTAL	2145	

She also mentioned the IAI Training Courses for the year, they are based on the IAI/ IAI/UM Summer Institutes model and based on programmatic and Financial Partnership:

- Vulnerability Associated with Climate Variability and Climate Change in Central America and the Caribbean (Oct.26-Nov. 8, 2003, Santo Domingo, Dominican Republic)
- Land Use and Cover Change in the Amazonian Region: Patterns, Processes and (Plausible Scenarios) (Oct. 12-24, 2003, Cachoeira Paulista, Brazil)
- Global Warming and Global Climate Changes: Causes and Mitigation Alternatives (Nov. 10-22, 2003, Piracicaba, Brazil)

In addition, initial contacts have been made to start planning T&E activities for 2004 with organizations in Costa Rica, Mexico, and other partner organizations such as IHDP.

The IAI Approach in T&E activities includes:

- Strong Policy Relevance (themes, regions, sectors);
- Strong Science-Policy Approach (science base looking at policy application);
- Strong Capacity Building in Decision-Making and Science-Policy Interaction

IAI support to other capacity building activities

- Since December 2002 IAI has co-sponsored 7 events
- Support of 1 scientist to Summer Institute in partnership with ACT of Indiana University (MoU)
- Other Examples: - 2003 Open Meeting of the HD Community (Oct. 2003)
- START Young Scientists Conference (Nov. 2003)

Current communication mechanisms

- Newsletter, annual report, website, listserv

The TEC Officer has also worked on the production of the IAI Anniversary Book to celebrate 10 years of the Institute. The book introduces the IAI from its early years and presents a decade of achievements in institutional development, implementation of scientific programs, scientific and capacity building productivity, as well as the benefits of the participation of member countries, the scientific community and policy makers in the activities of the IAI.

- *Overview of the Financial Status of the Core Budget for FY 2002/2003, Budget for FY 2003/2004, and Voluntary Contributions for 2003-2006*

The IAI Financial Officer (FO), Silvio Bianchi, presented the financial report (Status of the core budget as of April 30, 2003, Core Budget request for FY 2003/2004 and proposed Voluntary Contributions for 2003-2006).

- *Status of the core budget as of April 30, 2003*
(Addendum_ Document 9)

He presented a comparison between the total budget for the year, the revised budget as of Apr 30 (estimated expenses as of Apr 30) and the actual expenses.

	Total Budget	Rev. Budget Apr-03	Actual Expenses	Differences
Salaries & Benefits	544,820	454,172	376,014	78,158
Staff Travel	108,600	74,700	61,985	12,715
Dissemination	88,500	86,500	35,814	50,686
Director Funds	50,000	41,000	61,623	(20,623)
Other	147,250	111,120	89,198	21,922
	939,170	767,492	624,634	142,858

As shown in the table, expenses were \$142.858 lower than expected. Reasons:

- Salaries and Benefits:

- * savings in salaries & benefits of the Executive Director (contract for Interim Director included lower level of benefits; majority of relocation costs of new Director paid by WMO, staff + 1 dependent instead of staff + 3 dependents).
- * salary adjustment for International staff was 3 % (maximum amount was 5%)
- * according to present Employee Manual, the education allowance for the FO's son finished on Dec 2002)

The FO explained the other expenses:

- Staff travel: within the budget

- Dissemination (activities to increase visibility): in period Jul 1, 2002-Apr 30, 2003 included cost of newsletter and participation of one CoP Representative to the Johannesburg meeting.

- Director funds (support to scientific/academic activities that cannot be funded with the Program Budget with funds from the Core Budget): support to training or scientific meetings (\$ 21,600) and to two SGP projects (\$40,000). The reason for the overrun is because at the time the SGP activities were approved, the full contribution was appropriated even though not all the funds were transferred.

- Other: other operational expenditures (professional services, staff training, telephone/fax, office supplies, support to meetings. Efforts were done in order to keep these expenses as low as possible.

- *Status of the Program Budget 2002/2003*

The FO then reported on the Status of the Program Budget. As The SO had already talked about ISP III, PESCA, and Small Grant Program, he presented the status of the CRN Program, where there is more financial activity.

Out of the total amount 10,440,000 US\$ of the program, we have unpaid grants of 3.931.000 US\$. Within this fiscal year the expenses were 1.536.000, this amounts were transferred to the PIs institutions. Funds were not sent to Magaña because it begun one year later. For CRN 38 no funds were released.

- *Status of country contributions*

Cash flow estimate as of April 30, 2003:

Received as of April 30	530,000
Expenses as of April 30	<u>(624,634)</u>
Cash balance	(94,634)
Expected incomes	250,000
Forecasted outcomes	<u>(167,400)</u>
<i>Anticipated Cash Balance</i>	<i>(12,034)</i>

Within this period the contribution of Costa Rica was received covering 2 outstanding years, plus the present year, plus part of the next year in advance. This will give an estimated forecast of a positive balance of about 8-10,000 US\$ by June 30, 2003

He then presented the **Country contributions to the Core Budget as of May 9, 2003:**

	Due as of 30-Jun-02	Contribution for FY 02/03	Paid Jul/02 - May/03	Due as of 09-May-03
Argentina	80.025,00	45.000,00	----	125.025,00
Bolivia		5.000,00	----	5.000,00
Brazil (*)	-21.735,88	80.000,00	-80.000,00	-21.735,88
Canada	0,00	115.000,00	-115.000,00	0,00
Chile	20.000,00	5.000,00	-15.000,00	10.000,00
Colombia	20.000,00	10.000,00	-----	30.000,00
Costa Rica (***)	7.099,46	5.000,00	-20.238,45	-8.138,99
Cuba	5.066,56	5.000,00	----	10.066,56
Dominican Republic	25.000,00	5.000,00	----	30.000,00
Ecuador	20.000,00	5.000,00	-10.000,00	15.000,00
Guatemala	25.000,00	5.000,00	----	30.000,00
Jamaica	5.000,00	5.000,00	-5.000,00	5.000,00
Mexico	-2.995,50	55.000,00	----	52.004,50
Panama	5.000,00	5.000,00	-5.000,00	5.000,00
Paraguay	30.000,00	5.000,00	----	35.000,00
Peru	20.000,00	5.000,00	----	25.000,00
Uruguay	20.000,00	5.000,00	----	25.000,00
USA (**)	0,00	550.000,00	-550.000,00	0,00
Venezuela	91.829,34	30.000,00		121.829,34
	349.288,98	945.000,00	-800.238,45	494.050,53

(*) Brazil had already advanced contributions for FY 2003/2004

(**) USA's contribution to IAI core budget is made through a grant from NSF.

(***) After the last payment, Costa Rica advanced contributions for FY 2003/2004 and 50% for 2004/2005

He also showed Statistics of behavior of countries contributing to the core budget. Some conclusions, among others, are that only nine countries contributed to the core budget this fiscal year, and that one country never paid his contribution.

Regarding the composition of core budget expenses, 58% salaries, 12% staff travel, 9% dissemination activities, 5% director's fund, 16% other.

Composition of contributions to Core budget: 79%: USA, Canada and Brazil (they pay in time). 14%: Mexico, Argentina, Venezuela; (have not paid yet this fiscal year yet). 7%: other countries

The FO stated that with the present level of contributions paid we barely support our basic activities. We are using Director's Fund and we are trying to keep 16 % (others) as low as possible.

Some points were raised by the parties during the FO presentation:

- *The delegate from the USA, Paul Filmer, asked for a clarification about the Director's fund, since it is used within the Directorate for research when there is a separate budget for that purpose.*
- *The FO explained that it is used to support participation in meetings, training, etc. They don't receive overhead. For example, from this FY 61.623US\$ were used for 2 SGP projects and the rest for 6 minor activities to increase visibility and attract funds from other organizations.*
- *The delegate from Brazil, Gilberto Camara asked for an estimate of how much of the money contributed in research goes back to the countries. He also said that funds are divided very disproportionately amongst the IAI countries and asked about the Directorate view on whether major debtor countries could make up with their outstanding contributions. The FO's answered that in some cases they did not expect they would pay.*
- *The delegate from Colombia, Carlos Fonseca Zárate stated that Colombia was very interested in working with IAI. He explained that the debtor countries have serious financial problems and suggested studying a kind debt swap to pay outstanding contributions (for example) to propose countries that 50% of their debts can be used for joint projects with IAI in their countries.*
- *The IAI Director explained that the issue of outstanding contributions had been discussed by the FAWG and there are different views: punitive measures or other more attractive (as the one mentioned by the delegate of Colombia) to stimulate payments. He understood that it was difficult for countries with debts of 6 or 7 years, to justify contributions for the operation of the Directorate. He thought that the proposal of Colombia was interesting since it shows the interest of the country in scientific activities and at the same time would contribute to the administrative costs of the Directorate. He exhorted the EC to think of ways of recovering part of outstanding contributions and foster scientific activities that would go back to the country.*

The FO then presented a table showing the benefits of the different countries for participating in IAI activities.

- *The delegate from Uruguay expressed that it would be very useful for all delegates to have a copy of that table so that they could negotiate with their respective governments the payment of contributions to IAI.*
- *The delegate from the USA, Paul Filmer, reminded that the CoP in Ottawa (1999) made a declaration on this particular issue. In its 14th meeting in Havana the EC also asked the IAI Directorate to prepare a brief on how IAI investments in each country had been instrumental to ensure the implementation and/or further development of global change research. He also added that the Directorate is currently in the process of putting together a database system which will make that kind of reports a lot easier. He also suggested that in order to comply with the request made in Havana, a list of institutions involved, researchers funded, students supported, etc should also be added to the table presented. That portfolio for each country would be particularly useful.*

- *The delegate from Brazil, Gilberto Câmara expressed that the IAI had been successful in creating networks of researchers but that the information produced had not reached yet the visibility level we desire. There is a gap between scientists that receive money and decision-makers. Researchers should be visible in the local scale, not only in the global one. The IAI should put the link global- local in its agenda. We must make sure the whole chain up to decision making is part of what is financed. Global results will never come back to decision making. This link is not visible now.*
- *The delegate of the USA, Jim Buizer agreed with the delegate from Brazil. He said it was a huge challenge because when we say that decision and policy makers need to be linked to scientists, we must keep in mind that these individuals are humans, they have their lives, challenges, and the framing of the scientific question must take place with them involved. We have to acknowledge that this has to take place as an action, a constant action. The gap between science and decision has to be bridged.*
- *The delegate from Colombia, Carlos Fonseca, said that it was not a problem of two different agendas. He thought that it was a pragmatic problem and not a philosophical one because the point was to demonstrate the benefits of participating in the IAI.*

The EC requested the Financial and Administrative Working Group (FAWG) to study the proposal of Colombia, endorsed by Costa Rica, that countries currently in arrears might cancel outstanding contributions allocating part of the money they owe in local activities coordinated with the IAI (debt swap). (Action 4 - Day 1)

The EC, endorsing the proposal from the delegations of Uruguay and the USA, asked the IAI Directorate to prepare a portfolio for all IAI member country representatives showing the benefits received by their countries -in terms of research, training and education, and capacity building- for their participation in the IAI. This portfolio should be presented to their national authorities. (Action 5 – Day 1)

- Core budget 2003/4 (document 9.ECXVII/CoPX/DWD/Eng/April 2003)

The FO informed that as a result of a cash flow analysis based on a zero net growth of the Directorate's budget, they had reached to the conclusion that if all member countries did not pay their contributions on time, maintaining the same level of expected contributions would produce an unmanageable cash deficit 2at the end of the fiscal year 2005/2006.

Therefore, to maintain an adequate operational capacity of the Directorate it was found necessary to increase the level of contributions. A reasonable minimum increase would be 8%.

The table below illustrates the level of contribution proposed to each member country. The distribution is based on the OAS table for quota collection for 2001.

Requested Contributions for the Period 2003-2006

Country	%	Present	Proposed	Difference
Argentina	5.01%	45,000	50,000	5,000
Bolivia	0.07%	5,000	5,000	-
Brasil	8.73%	80,000	85,000	5,000
Canada	12.63%	115,000	125,000	10,000
Chile	0.55%	5,000	5,000	-
Colombia	0.96%	10,000	10,000	-
Costa Rica	0.13%	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%	55,000	60,000	5,000
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%	550,000	595,000	45,000
Uruguay	0.27%	5,000	5,000	-
Venezuela	3.27%	30,000	35,000	5,000
FUND TOTAL	100.00%		1,015,000	
Cuba		5,000	5,000	-
		945,000	1,020,000	75,000

The FO explained that only the main contributors are affected: Argentina, Brazil, Canada, USA, México and Venezuela (Argentina and Venezuela are not making contributions).

- *The delegate from Argentina, Carlos Ereño said that the argentine problem would continue growing: each time that figures have to be adjusted, some countries have to pay more than others He claimed that it would be very difficult for him to explain this to a new authority.*
- *The delegate from the USA, Paul Filmer, said that the US is satisfied with the progress of the institution. He added that the US had given 20 million dollars to the institute and that they strongly believed in what had been done. He stated that the US would fulfill their obligation of an increase of \$45,000. Additionally, he recommended that the directorate look into re-engagement of the governments in the region.*
- *The Chair of the FAWG, Vanessa Richardson, explained that the group had worked very closely with the Directorate to prepare this budget. They had to look for funding because the IAI could have a negative balance in three years with the present scenario.*
- *The delegate from Canada, Michel Beland, said that increasing the contributions is a short-term solution. Canada would support the request, but expressed concern about commitment from countries. The IAI should find a permanent solution in the long term.*
- *The EC Chair explained that according to the IAI agreement, the increases should be of US\$ 5K. This point of the Agreement was modified in the Ottawa meeting (1999) but only Cuba has ratified the amendment. He urged the delegates to their best in order to ratify the amendment and modify the scales for country contributions.*
- *The FO explained that anyway the increase for Argentina, for example, would be of 9000 instead of 10.000. As the increase is only 8 %, it does not affect countries of lower contributions. In any case, an increase of 1000 is better than one of 5000.*
- *The delegate of Uruguay, Oscar Brum said that he understood the increase of 8 % but he agreed with Argentina. The countries in arrears would be in a worst situation and the countries that pay would have to pay more. He agreed with the increase but suggested not to apply it to debtors only for this time*
- *The delegate from Argentina, Carlos Ereño thanked the delegate from Uruguay and said that Argentina and Venezuela are the main debtors and they were affected by this increase. Both countries are in a difficult situation and it would be very difficult for them to diminish the debt in face of this measure. He suggested postponing this 8 % increase until the following year and in the meanwhile looking for a better strategy.*
- *The delegate from the USA, Paul Filmer seconded the proposal of Argentina of maintaining the current situation for a year. He also suggested asking the FAWG to carry out some analysis on the mentioned proposals (e.g. debt swap) and report at the next EC.*

The EC endorsed the proposal of the delegate of Argentina, seconded by the delegation of the USA, to postpone the adoption of the 8 % increase in the level of contributions until next year and will forward it to the CoP X (*Action 9 – Day 2*).

6. Report of the Scientific Advisory Committee (SAC)

The Chair of the SAC, Walter Fernández, reported on the 18th meeting of the SAC held in January 2003 in Mendoza, Argentina (document 9 ECXVII/CoPX/DID/Eng/April 2003)

He submitted to main items for EC consideration:

- The new IAI Science Agenda
- A new call for proposals

Regarding the Science Agenda, the SAC Chair explained that the agreement establishing the IAI stated that the Science Agenda should be dynamic and should evolve to permanently incorporate new scientific priorities and to address changes in the needs of the region's countries. The SAC members reformulated the IAI Science Agenda and most of the work was done by e-mail until consensus was reached.

The new Agenda maintains four main themes (Addendum document 7) and includes the term "climate change":

- Understanding Climate Change and Variability in the Americas
- Comparative Studies of Ecosystem, Biodiversity, Land Use and Cover, and Water Resources in the Americas
- Understanding Global Change Modulations of the Composition of the Atmosphere, Oceans and Fresh Waters
- Understanding the Human Dimensions and Policy Implications of Global Change

Regarding the new call for proposals, the SAC recommended to launch a second round of the Small Grants Program (SGP) in the second semester of 2003, total amount of US\$ 600K, awards of up to US\$ 30K, participation of at least 3 IAI member countries and duration one year. The proposal had to be submitted to NSF in mid July. The program announcement should encourage linkages with other global change programs and involvement of policy makers where appropriate. Proposals will be accepted in the categories, research, technical report and workshop (incl. training workshops) under all four themes of the IAI science agenda.

The SAC also recommended that the IAI should be able to keep support for some of the ongoing CRNs and continue to fund training via summer institutes. The SAC suggested announcing a second round of CRNs in late 2004 or early 2005.

The SAC chair also reported on other activities such as the meeting with IGBP in Mendoza. The meeting was found to be very useful for the interchange of ideas and research results and to look for cooperative projects. He also informed that the external review of the CRN projects was positive for all projects.

A joint APN-IAI activity on ENSO and other climate extremes was suggested as a possibility of a starting collaboration.

Other issues dealt during the SAC meeting were the designation of SAC advisors to each CRN project, the open SAC position, and the election of the new SAC chair (Dr Walter Fernández as Chair and Dr Lynne Hale as Co-Chair). Dr. Walter Fernández acknowledged Dr. Luiz Bevilacqua for his contribution. The SAC recommended that Luiz Bevilacqua continue his involvement in the SAC and attend SAC meetings as his background with the IAI is invaluable.

Some points were raised by the parties during the presentation:

- *The delegate of Brazil, Gilberto Cámara, asked why they had removed integrated assessment from the Agenda. He thought the new agenda did not respond to the needs discussed before regarding the link science-policy-making and therefore, was not in accordance with the IAI objective. He would like an agenda that has government scenarios, integrated assessment, etc. The SAC Chair explained that the Sac had worked in two groups (one for the natural themes and one for the social ones) and that they had*

arrived to this Agenda by consensus; if integrated assessment was not there was because it was considered a sub topic.

- *The delegate from Costa Rica, Roberto Villalobos thanked the SAC Chair for his presentation. He understood that the main lines were presented and that each country can adapt it according to its needs*
- *The delegate from Colombia, Carlos Fonseca, made some reflections: a) he said he understood the concern of the delegate from Brazil because the integrated assessment opens a wide field of action; b) he liked the presentation of the SAC chair and agreed on many points of the agenda; c) he said that we were facing a regional challenge of advancing in more complex methods for global change analysis; d) the Latin American reality is very complex and we have to be very careful when applying methodologies from other countries; e) if we are looking for science focused in LA, we will have to assess complexity; f) we have to make contributions in multicriteria analysis, integrated assessment, we have to consider different dimensions.*
- *The delegate from the USA, Paul Filmer, thanked the SAC for the work they had done. He emphasized area 4 since before de IAI, global change scientific agenda was perceived as natural. It was hard for people from other areas to understand the objectives of the IAI. The purpose of the institute was to conglomerate all of these things.*
- *The delegate from the USA, Jim Buizer thanked the SAC and recognized this was a better product than the former. He asked the SAC Chair if political leaders were consulted to check if our scientific labor was pertinent to each country and if they had considered megacities in global change issues. The SAC chair answered that they had been in contact with politicians but perhaps not in the degree suggested at this meeting. Regarding the impact of megacities in regional climate, he said that it can be re-formulated.*
- *The delegate from Brazil, Gilberto Camara stated it was crucial that the SAC consider the national agendas. For example, in Brazil, the Climate Change Program had never been in contact with IAI. For example, at present the IAI Agenda does not represent the long term plan of the Brazilian government. The IAI Agenda has to reflect the national agendas*
- *The delegate from Argentina, Carlos Ereño, said that the proposed Agenda was better than the old one although point 4 had to be improved. He also expressed his concern about losing the opportunity to approve this Agenda that has to be taken into account in the next calls for proposals.*
- *The EC Chair, Antonio MacDowell suggested that, as there were problems with the point 4 only, a group meet during the evening with the SAC Chair to modify point 4 of the Science Agenda.*
- *The delegate from Argentina, Carlos Ereño, said he did not agree to the proposal because the EC should not intervene in the production of the Scientific Agenda. The EC had never modified the proposals from the SAC before.*
- *The delegate from the USA, Paul Filmer said that such spirited debate was very useful, because it meant the policy community reacting to a proposed Science Agenda. He agreed with Ereño that the SAC reports to the CoP, because SAC is not subsidiary to the EC. But he suggested that what the EC might do (depending on the outcome of the proposed group) was to take the recommendations forward to the CoP that ultimately would decide what to do with the Agenda.*
- *The SAC Chair said that he was willing to meet with the group in order to revise the item and reach a consensus.*
- *The Scientific Officer stated that there were very good suggestions for theme 4. He explained that the SAC really had little time to review the whole Agenda and it was clear that this would not be the ultimate agenda but an improved agenda for the next CRN call for proposals. It is very important that the Agenda be approved before the next call.*
- *The delegate from Brazil, Gilberto Câmara, said that it was an interesting opportunity to take profit of the different contributions raised by the delegates. As they do not meet very often, it would be a pity if such interesting debate was lost because he thought the conflict was very positive and necessary for the*

progress of the IAI. He also suggested that the delegate from Canada join the group proposed by the EC Chairman.

- *The delegate from the USA, Jim Buizer said that the group would present its contribution in the spirit of refining and maybe enhancing from different perspectives what has been done by the SAC and not over-ruling it*

The EC endorsed the proposal of the EC Chair that a sessional drafting group composed of the delegates of Brazil, Canada, Colombia, Costa Rica, USA, the SO and the SAC Chair, meet during the evening to consider possible comments by the EC to the CoP regarding the new IAI Scientific Agenda, particularly regarding theme 4. (*Action 6 – Day 1*)

On the second day of the meeting, the SAC chair presented the revised point 4 of the IAI Science Agenda including the suggestions from the working group. He explained that the paragraph was re-written, the terms “climate variability” and “land use” were added as well as some topics.

- *The delegate from Chile, Renato Quiñones, suggested including “fisheries” within the topics because of their importance. The SAC Chair explained that perhaps it was briefly mentioned in point 7, but it could be added and suggested that the delegate of Chile include the topic so as the Agenda can be approved by the EC.*

The EC approved and will forward to the CoP X the New IAI Science Agenda (Addendum Doc 7) with the suggestions from the EC sessional group that were already included in it (*Action 8-Day 2*). The approved agenda is included in Annex.

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

The Chair of the Rules & Procedures Standing Committee (RPSC), Louis B. Brown, presented the Report of the group (document 12_ECXVII/DID/May 20, 2003). The report included 3 recommendations about:

1. the definition of basic support and delegate travel to EC and CoP meetings,
 2. the selection of members for the standing committee for Rules and procedures
 3. the reduction in number of meetings using the Vienna Convention to put the amendment into effect before the amendment is ratified and enters into force.
- *The delegate from Argentina, Carlos Ereño, asked if the Vienna Convention could be applied to incremental contribution levels. The RPSC Chair answered that it was valid for any amendment but he thought that it would not be convenient to apply this Convention to a former amendment without an additional consultation.*
 - *Regarding the delegate travel to EC and CoP meetings, the delegate of Argentina recommended to analyze the proposal of a trust fund for this purpose mentioned in document 12; sometimes countries are interested in attending the meetings but it is impossible for them to run with the costs of attendance and this brings problems with quorum. The EC chair suggested to further study this issue as there was no formal proposal at the time.*
 - *Regarding the reduction in the number of IAI meetings (CoP every two years and EC once a year) the delegate from Canada, Michel Belánd expressed his support to the proposal.*
 - *The delegate from Chile, Renato Quiñones expressed his concern regarding the reduction in the number of CoP meetings, the countries that are not in the EC would be more disconnected and it would be more difficult to call the attention of the authorities*
 - *The delegate from Argentina, Carlos Ereño referred to the special working group created in the Panama Meeting to suggest strategies to increment country participation. The group concluded that as there were too many meetings and countries could not afford their attendance, they reduced their participation in IAI. Then it was thought that a lower number of meetings would increase country participation. He also agreed with Chile that this has to go together with other measures to increase visibility.*

- *The delegate of the USA, Paul Filmer expressed the support of his delegation for the proposal. He said that this came from discussions regarding difficulties for representatives travel and problems with quorum, but also emphasized that there were some activities to be carried out by the IAI Directorate, such as visits from the director to these countries and insistent presence that might mitigate some of the circumstances of countries not being able to participate in a session of the CoP except every two years.*

“The EC approved the document 12_ECXVIII/DID/English/May 20, 2003 containing four recommendations from the Standing Committee on Rules and Procedures and will forward them to the CoP-X:

a. To reconfirm the definition of “basic support” to refer to funds for activities, other than salaries and associated benefits, that constitute the day-to-day operations of the IAI. Such funds presently include: personnel (staff salaries and associated benefits), staff travel, other costs (including support for the EC working groups, capital equipment budget, and support to participants in scientific meetings – non IAI staff), and Director’s Special Fund.

b. To reconfirm an earlier recommendation together with the FAWG that “travel expenses of country Representatives to meetings of the EC and CoP continue to be the responsibility of country members of these two bodies”.

If, however, the EC and CoP decide that the IAI should fund the travel of delegates to EC and CoP meetings, the Rules Committee recommends that the IAI set up a trust fund for this purpose, administered separately from the IAI’s core budget.

c. That membership of the Standing Committee continue to be open; that members of the Committee be designated, as at present, by Members in response to EC calls periodically for new Committee members; and that members serve in their individual capacities, again as is the case now, thus enabling them to bring their full expert capabilities to bear on issues before the Committee. Also, that each designating country be given the opportunity to make a new appointment if its designee decides to leave the Committee or if the country decides that a change in designee is necessary.

d. In order to reduce the frequency of its meetings, the IAI set in place a process that would enable the CoP at its Eleventh Session to consider and approve, on a consensus basis, amendments to the Agreement (CoP shall meet at least once every two years and the EC at least once each year with one of these meetings to be held immediately prior to each meeting of the CoP) and, if consensus is achieved, that the CoP at its Eleventh session also move to implement these amendments in the following cycle of IAI meetings, in accordance with the relevant provisions of the Vienna Convention of the Law of Treaties.” (*Action 2 – Day 2*)

“Regarding Action 2. b., the EC Chair asked the IAI Directorate to study the implementation the trust fund mentioned in Document 12 to support delegate travel to EC/CoP meetings.” (*Action 3 Day 2*).

8. Report of the Financial and Administration Policy Working Group – Chair: Vanessa Richardson

The Chairwoman of the FAWG, Vanessa Richardson, reported on the two last meetings of the group (December 2002, prior to EC 16; and March 2003 at the IAI Directorate). She gave an overview of Documents 13.ECXVII/DID/Eng/May 1, 2003 and its Addendums 1 and 2.

The first meeting of the group had been briefly reported at the Panama meeting. In the second meeting, the primary focus was the budget. She said that they had worked closely with the Directorate in helping develop the budget. She also expressed the FAGW concern that the IAI can not continue to operate with a negative cash flow.

The second focus was trying to finalize the revisions to the IAI Employee Manual. Those revisions are almost ready but there are two major outstanding areas:

- the implementation of an IAI Appraisal Review system (it was never formalize or documented)
- the IAI Director would also be reviewed by the EC Bureau.

Ms. Richardson called the attention of the EC chair about Document 14 (EC bureau functions) because the fact that the EC Bureau would also evaluate the Director was not clearly articulated in it.

Regarding IAI salary levels, she informed that they had asked for an independent review of salaries that would include not only an evaluation of staff responsibilities and positions descriptions but also look at comparable positions and compensation packages at other international organizations in Brazil. .

As to how to report contributions versus outstanding contributions the group decided not to recommend debt forgiveness and acknowledge the fact that there are new administrations in countries that are making efforts to pay their contributions. The current practice in the past for countries in arrears is that the contributions are posted against the earliest years with outstanding balances. The FAWG presented the following recommendation for EC approval: that the contributions be posted to the current fiscal year and then against preceding fiscal years in reverse chronological order.

Ms. Richardson reported that discussions held during the last FAWG meeting on the FAWG charter (TOR) approved in Panama on July 18, 2001 led to the recommendation that this charter needed to be modified. In particular it was agreed on the importance of having broader member country participation, avoiding the assumption that the current membership would be automatically renewed.

Finally, noting that Article V of the IAI Agreement states that committees should be “ad-hoc”, the FAWG proposed its name to be changed as Financial and Administrative Ad Hoc Committee (FAC) and a revised charter was submitted for EC approval. It also had to be determined if membership is by country or individual.

- *The chairman of the Rules Committee, Lou Brown, said that according to the rules, the IAI can consider the best structure for its needs. There are some long term challenges such as financial and administrative issues, rules related issues that the IAI has to face. In those cases, there is no problem in establishing permanent committees, or tasks forces or working groups. Even if the committee is standing, it is clear that the charter and the membership should be renewed in order to fulfill its objective.*
- *The delegate of the USA, Paul Filmer, suggested that the representation should be by country including representation of major contributors, for example, those countries that might see major changes in any suggested budgets that are going to come before the EC and the CoP, and smaller countries as well. He also suggested that members have some experience in accounting or budgeting.*

The EC approved the change of name of the Financial and Administrative Working Group. The FAWG changed its name for Financial and Administrative Committee (FAC). The EC also approved its new charter (Doc 13, Addendum 1) with one modification: where it reads “Membership is open to all **EC** member countries...” It should read: “Membership is open to all **IAI** member countries...” (*Action 4 – Day 2*)

The EC decided that the membership of the FAC is by country. The member countries that volunteered to participate in the FAC are: Argentina, Brazil, Chile and the USA. The EC also requested the IAI Director to send letters to the IAI member countries not present at the meeting asking them if they are interested in joining the committee. The deadline for nominations is on August 31, 2003. (*Action 5 – Day 2*)

- *There were some points raised by the parties during the discussion about Addendum 2 of Document 13 (posting of member country contributions). Some delegates (Argentina, Uruguay) were in favor of the proposal from the FAC because it was an incentive for countries to pay their contributions. Others (Canada, Mexico, and Colombia) did not agree with the proposal.*
- *The Financial Officer explained that the proposal would solve the problem in the short term but it could be risky in the long term it could lessen the incentive to pay.*
- *The delegate from Brazil, Gilberto Camara, suggested postponing the decision on this issue and recommended that the IAI Directorate consider proposal in a broader context, including other alternatives to incentive payments as the one mentioned by Colombia (action 4, day 1). The Directorate should analyze the implications of the different approaches (debt swap, proposal from the FAC, etc.).*
- *The delegate from the USA, Paul Filmer, said that the US would like to second the proposal of Brazil. It was evident that the issue was not ready to present it to the CoP. The FAC should study the implications of the proposals according to the IAI agreement and produce a document.*

- *The delegate from Chile, Renato Quiñones, stated that the economic issue was discussed without considering essential issues such as the political reach of the institution; it is a political and diplomatic problem*
- *The delegate from the USA, Jim Buizer, giving the Director the opportunity of persuading high political levels in order to sensitize the authorities and prove the value of the Institution and then revisit this issue the following year.*
- *The IAI Director said that the problem was that the voluntary contributions mandatory for countries had not been received. He mentioned different approaches to persuade members to pay: punishment, post in reverse order, debt swap. The intention of the FAWG was to rule that, and there is always a problem when a rule is established. He thought that the approach of giving the Directorate some freedom to act on a case by case basis would be appropriate. He agreed with the proposal from Jim Buizer.*
- *The delegate from Brazil, Gilberto Camara, said that in the long term, the issue of the divorce between the IAI scientific agenda and agendas of the member states had to be addressed as well. In IAI the scientists represent themselves as scientist and do not necessarily represent the agendas of the MS. In other organizations this problem was solved by assigning one scientist per country elected by the EC. The delegate from Chile agreed with the statement of the delegate from Brazil.*

The EC charged the IAI Director with developing a strategy to solve the problem of outstanding contributions in a year term. The IAI Director will report back to the EC at future meetings regarding this process and future plans. (Action 6 – Day 2)

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

The EC received with appreciation the paper regarding the “Functions of the EC Bureau” that had been prepared by the 2nd EC Vice Chair, Barbara Garea from Cuba. Stressing the importance of this paper and recognizing that the absence of the 2nd Vice Chair would make thoughtful consideration of the paper at this meeting very difficult, the EC deferred the consideration of this paper to its next meeting. The EC also asked the Standing Committee on Rules and Procedures and the 2nd Vice Chair to further refine the paper to facilitate the EC’s consideration of the paper at its next meeting, and to ensure that all responsibilities discussed can be included. (Action 7 – Day 1)

10. Nomination of the Committee to select final candidates for the election of the IAI SAC member

The EC approved the composition of the Nominating Committee for the election of the IAI SAC member. The group is composed of:

- 2 members of the EC: Michel Béland from Canada and Gilberto Câmara from Brazil.
- 1 member of the CoP: Adrián Fernández from México
- one local Scientist: Jim Buizer
- one advisory member: the IAI Scientific Officer

In this opportunity there is no member of the SAC in the Committee because the only SAC member present at the meeting is one of the candidates.

The EC Chair requested the Committee to meet in the afternoon to elect a Chair and to present a report in the second day of the CoP meeting.

11. Approval of the items forwarded to the CoP

The EC approved and forwarded the following decisions to the CoP-X:

1. The Document Auditor’s Report of the Financial Statements as of June 30, 2002 (already approved in the Panama Meeting EC XVI (10.ECXVII/CopX/DID/Eng/doc).
2. The recommendations contained in Document 12 of the SC on Rules of Procedures (doc 12.ECXVII/DID/Eng/May 20, 2003)
 - a. interpretation of basic support
 - b. travel expenses of delegates

- c. selection of members of the SCRP -
- d. reduction in the number of IAI meetings
- 3. The document Annual Program (July 2003-June 2004) (11.CoPX/DWD/Eng/April 30,2003)
- 4. The New IAI Science Agenda (addendum doc 7).
- 5. The proposal of the delegate of Argentina seconded by the delegation of the USA, to postpone the adoption of the 8 % increase in the level of contributions until next year and will forward it to the CoP X.

12. Approval of Action Lists

The EC approved the Action List of June 2nd with no modification. (*Action 10 – Day2*)

13. Future Sites and Meetings

The EC accepted the offer of Costa Rica to host its Eighteenth Meeting in November/ December 2003. (*Action11– Day2*)

14. Adjournment of the Meeting

Antônio Mac Dowell (EC Chair) thanked the Government of USA for hosting the meeting and all the EC representatives and Observers for their presence. He also thanked the staff and the translators for their work.

ANNEX

THE IAI SCIENCE AGENDA

The primary objective of the IAI is to encourage research beyond the scope of national programs by advancing comparative and focused studies based on scientific issues important to the region as a whole. Our mission is defined as to develop the capacity of understanding the integrated impact of past, present and future global change on regional and continental environments in the Americas and to promote collaborative research and informed action at all levels. In its approach the IAI pursues the principles of scientific excellence, international cooperation and the full and open exchange of scientific information relevant to Global Environmental Change (GEC). The term global change is used to refer to the interactions of biological, chemical and physical processes that regulate changes in the functioning of the Earth system, including the particular ways in which these changes are influenced by human activities. The agreement establishing the IAI stated that the Science Agenda should be dynamic and should evolve to permanently incorporate new scientific priorities and to address changes in the needs of the region's countries. At present, four broadly defined research foci have been identified by the IAI.

I - Understanding Climate Change and Variability in the Americas

The focus of this theme is to observe, document and predict climate change and variability in the Americas and its links to changes in natural systems and societal impacts. The goals are to understand the role of the ocean-land-atmosphere interactions in climate, to determine the key processes that cause climatic variability, from seasonal to decadal time scales, and to apply the insight gained by these findings to improve weather and climate predictions.

Topics suggested under this theme:

- Tropical Atlantic Variability (TAV), El Niño-Southern Oscillation (ENSO) and other forms of low-frequency climate variability.
- Ocean variability, including sudden climate change, and its influence on climate and weather of the surrounding continents.
- Variability of the American Monsoon systems.
- Ocean/Land/Atmosphere interactions and Hydrology, including atmospheric mesoscale processes.
- Global and regional changes in the water cycle.
- Aerosol impact on climate change and variability.
- Climate change at regional scales: scenarios, impacts, vulnerability and adaptation.
- Climate changes in the past.
- Development of the Americas component for a Global Observing System for climate.

II - Comparative Studies of Ecosystem, Biodiversity, Land Use and Cover, and Water Resources in the Americas

The IAI encourages comparative and integrated analyses of the effects of Global Environmental Change on natural and anthropogenic systems and processes among tropical, temperate and cold latitude systems. Sponsored work should increase our knowledge of the drivers and dynamics of variability, and the impacts of such variability on food security, biodiversity and the provision of ecological goods and services. Research is expected to include work in terrestrial, coastal and oceanic environments; and work that integrates across the land/sea interface will be encouraged.

Topics suggested under this theme:

- Impacts of global change on biodiversity, including species and genetic biodiversity—both of natural systems and agricultural systems and cultivars.
- Comparative studies of resilience of ecosystems, key species, and important agricultural cultivars to global change.
- Comparative studies of changes in land use and/or coastal/marine/freshwater resource use.
- Prediction and documentation of estuarine changes due to changes in freshwater inflows as well as changes in watershed land use and cover.
- Climate and habitat change impacts on wide-ranging species across the Americas.

III - Understanding Global Change Modulations of the Composition of the Atmosphere, Oceans and Fresh Waters

The focus of this theme is on observing, documenting and understanding processes that modify the chemical composition of the atmosphere, inland waters and oceans in a manner that affects productivity and human welfare. A multidisciplinary approach to this research area is expected.

Topics suggested under this theme:

- Effects of air pollution and rain water quality on ecosystems.
- Impact of mega-cities on regional climate.
- Regional and global air pollution: Transport and impacts.
- High latitude processes and ozone depletion.
- Comparative studies of regional air and water pollution.
- Biogeochemical processes and ecosystem hydrology.
- Greenhouse gases and their impact on climate change.
- Coastal processes and water pollution.

IV - Understanding the Human Dimensions and Policy Implications of Global Change, Climate Variability and Land Use

The focus of this theme is to research the dynamic interaction of global change, climate variability, land use and human beings – their health, welfare and activities which depend on the productivity, diversity and functioning of ecosystems. The emphasis of the research is on projects that address the complex interactions between natural and socio-economic systems through interdisciplinary approaches. The objective is to inform public policies that increase sustainability of natural systems and human welfare.

Topics suggested under this theme:

- Health and environmental issues with emphasis on vector-borne diseases.
- Increased vulnerability of human settlements due to global change, climate variability, and land use.
- Rapid urbanization and sustainability of natural and human systems.
- Changes in food production patterns; potential actions for increasing food security.
- Global environmental and economic change and biodiversity; implications for conservation strategies.
- Effects of GEC, climate variability and land use on natural disaster occurrences, mitigation strategies, and policies that limit loss of life and property.
- Impact of GEC and climate variability on fisheries and fishers; strategies for limiting socio-economic impacts.
- Identification of factors that contribute to resilience of natural ecosystems; conservation strategies to promote resilience.
- Effects of GEC, climate variability and land use on water supply, freshwater flows, and security of water for human uses.
- Participatory environmental decision-making.