

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



EC-XVI
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IAI CORE BUDGET 2002/2003

Quarterly Report as of September 30, 2002

1) Core Budget

Contributions to Core Budget Received 25,000

16/Jul/02	Chile	15,000
21/Aug/02	Ecuador	10,000

Notes:

- 1) The grant agreement with NSF to receive USA's contribution to the core budget is already approved. Thus, IAI can request up to US\$ 550,000 from NSF at any time during this Fiscal Year.
- 2) Chile's contribution settles 3 years of outstanding contributions.
- 3) Ecuador's contribution settles 2 years of outstanding contributions.

Actuals vs. Budget

	<u>BUDGET</u> <u>Jul-Set/02</u>	<u>ACTUALS</u>	<u>VARIATIONS</u>
Salaries and Benefits	128,598	99,055	29,543
Travel	18,100	17,751	349
Other and DSF	64,230	32,194	32,036
	<u>210,928</u> =====	<u>149,000</u> =====	<u>61,928</u> =====

The actual expenses for the period July 1st – September 30, 2002 were \$61,928 below the estimates for this period. The explanation for the main variations is in the following paragraphs:

Salaries and Benefits

- Expenses associated to the Interim Director were lower than the budgeted for the Director. The new Director will start on November/2002.

Travel

- The expenses were within the budget.

Other & DSF

The regular operational expenses were lower than the amounts originally budgeted. One of the most important savings were under Auditors Fees where the amount paid was 1/3rd of the budgeted amount.

The expenses authorized under the Director's Special Fund were 60% of the amount budgeted for this period.

2) Cash Flow

Due to the fact that this is the first quarter of the fiscal year and not so many contributions were received, it is difficult to forecast the cash flow.

The amounts received from Chile and Ecuador, plus the approved contribution from the United States, represent 74% of the cash expenditures of the past fiscal year.

3) Research Budget

a) Collaborative Research Network

Funds for Research

After the suspension of the funding agreement with the Government of Argentina, the status of the project is the following:

Contribution from USA:	\$ 9,797,885
Contribution from Argentina (received)	\$ 210,755
Total	\$10,008,640 =====
Grants Approved	\$ 10,446,439
Cost of the Selection Panel	\$ 26,976
Committed Funds	\$ 10,473,415 =====

The difference between the funds available and the commitments amounts \$ 464,775.

As Argentina only transferred the funds for the year 1 of the program, IAI covered (with NSF funds) the amount that Argentina should transfer for the year 2 of the program.

Due to the fact that NSF contribution to the program would not be enough to support all the approved grants, IAI decided that for the year 3 all the projects would suffer a reduction of 9% from their original budgets in order to compensate the funds not provided by Argentina.

If the program cannot find additional funding sources to compensate what Argentina will not contribute and any reduction is made to the budgets for the years 4 and 5 of the program, we can forecast a cash deficit of \$240,000.

Funds for Management

Contributions from USA:

- Initial:	\$ 300,000
- 1 st Supp:	\$ 59,600 (Sep/2000-Ago/2001)
- 2 nd Supp:	\$ 59,600 (Sep/2001-Ago/2002)

\$ 419,200
=====

Expenses as of Sept. 30,2002: **\$ 330,100**
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b) Initial Science Program III

Contribution from USA	\$1,878,984
Grants Approved	(\$1,532,884)
Associated costs	(\$ 209,653)

Unallocated Funds (USA) \$ 136,447
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According to the table, the ISP III Program has unallocated funds from the USA's contribution to the Program for the amount of \$136,447. These funds will be used in the preparation of the scientific review of the program and the publication of a book with the results of each research project.

Two Cuban components and one project were also funded within this program with non-USA Core Budget funds. The total amount committed was: \$ 45,636.

c) PESCA Program

Contribution from USA	\$300,000
Grants Approved	(\$194,100)
Associated costs	(\$ 16,832)

Unallocated funds (USA) \$ 89,068
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The table shows that there are \$ 89,068 unallocated from the USA's contribution. According to the decision taken in the last EC/CoP meeting, these funds would be used in a new open call for research proposals.

Three Cuban components and one project were also funded within this program with non-USA Core Budget funds. The total amount committed was: \$79,423.