

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



EC-XVII & CoP-X
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Boulder, USA

Addendum_document 9

STATUS REPORT AS OF APRIL 30, 2003

1) CORE BUDGET 2002/2003

Country Contributions

The contributions received as of April 30, 2003 amounted \$531,370 representing 56% of the approved contributions for the fiscal year, with the following detail:

Brazil	80,000
Canada	115,000
Chile	15,000
Ecuador	10,000
Jamaica	5,000
Panama	5,000
USA	300,000
	<u>530,000</u>

Notes:

- With the payment of \$15,000 Chile settled 3 years of outstanding contributions.
- With the payment of \$10,000 Ecuador settled 2 years of outstanding contributions
- The remaining balance of USA contribution, \$250,000, will be requested in May.

The outstanding balance as of April 30 (Current plus previous years) amounts \$764,288 and represents 81% of the contributions for the fiscal year 2002/2003.

Expenses

The following table shows the expenses funded with the Core Budget as of April 30, 2003:

	Total Budget	Rev. Budget Apr-03	Actual Expenses	Differences
Salaries and 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 it is shown in the table above, for the period July 1st, 2002 – April 30, 2003, the expenses were \$142,858 lower than the expected. The explanations for these differences are the following:

Salaries and Benefits

- The savings under this category were the consequence of having lower than the expected actual costs for the salary and benefits of the Executive Director because:
 - 1) The contract for the Interim Director included a lower level of benefits,
 - 2) The majority of the relocation costs on the new Director were paid by his former employer,
 - 3) The estimates for the costs of the new Director were based on the assumption of “staff + 3 dependents” coming to Brazil, when the present composition is “staff + 1 dependent”.
- The salary adjustment for the International staff was 3% when the maximum amount was 5%.
- According to the present Employee Manual, the Education Allowance for the Financial Officer’s son finished on December/2002.

Staff Travel

- The travel costs are within the budget.

Dissemination

This category shows the activities developed by the Institute towards increasing its visibility. Under this category we include the costs for the edition of the Newsletter, the Annual Report and brochures. We also include the travel costs of non-IAI staff travelers to represent the Institute in international meetings.

In the period July 1st, 2002 – April 30, 2003 the costs charged to this category were those associated to the Newsletter and the participation of one CoP Representative to the meeting in Johannesburg.

Director Funds

This category shows the support to scientific/academic activities with funds from the Core Budget. These activities cannot be funded with the Program Budget.

Activities funded with this fund were:

- Support to trainings or scientific meetings - \$21,600
- Support to two SGP projects - \$40,000

Even though this line shows an overrun of \$20,600 as of April 30, 2003, it does not mean that this fund was overspent. The reason of 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

Under this category we include other operational expenditures of the Institute than Salaries & Benefits and Staff Travel. Due to the fact that the contributions received as of the end of April were lower than our forecasted cash outcomes, efforts were done in order to keep these expenses as low as possible.

The main items included are:

- Professional Services
- Staff Training
- Telephone/Fax
- Office Supplies
- Support to Meetings (Institutional & Scientific)

Cash Flow (Core Budget Funds)

The status of the cash flow as of April 30, 2003 is the following:

Received as of Apr. 30	530,000
Expenses as of Apr. 30	<u>(624,634)</u>
Cash Balance	(94,634)
Expected Incomes	250,000
Forecasted Outcomes	<u>(167,400)</u>
Anticipated Cash Balance	<u>(12,034)</u>

The table above shows that our anticipated cash balance as of June 30, 2003 will be with a deficit in the range of \$12,000. In order to keep the cash deficit within this manageable range, the expenses in the last two months of the fiscal year will have to be limited to the basic ones.

2) PROGRAM BUDGET 2002/2003

ISP III

The activities of the ISP III were closed as of March 31, 2003 (NSF grant termination date). The remaining funds as of that date (\$136,000) will be reimbursed.

PESCA

NSF granted a no-cost extension until October 30, 2003 for this grant.

Small Grant Program

The following table shows the status of this program:

Funding Source	Projects	Amounts
NSF Grant	14	343,000
Director Special Fund	2	40,000
	16	383,000

The initial payments for these grants, 75% of each project budget, were released. The final payments will be released once the final technical and financial reports are received and approved.

CRN Program

Funds for Research Support

As no additional funds were obtained to compensate what Argentina is not contributing, IAI decided to reduce 9% the contribution for the years 3 and 4 of the program.

COMMENTS ON SPECIFIC PROJECTS

CRN-038

In the report from the Executive Director there is a specific section making reference to the problems that this project is facing.

Funds for Management

Grant for Management of the CRN	478,800
Expenses as of April 30, 2003	(404,600)

Available Funds	74,200
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The funds for management cover the cost of the Manager of the CRN program (Salaries & Benefits plus associated travel costs).

3) OTHER ADMINISTRATIVE ISSUES

Human Resources

- Starting April 28, 2003 IAI recruited a young professional to work as assistant to the Financial Officer. This professional, Ms Anita Jose Soares, will substitute Mr. Hugo Pereira Caldas who will be leaving IAI by the end of May. This position will be funded by INPE/FUNCATE as part of the support from the Brazilian Government to the IAI.
- Starting May 2nd, 2003 INPE authorized to pay up to 44 hours of overtime for the Clerk/Driver. This position is also funded by INPE/FUNCATE as part of the support of the Brazilian Government to the IAI.
- On June 1st, 2003 will start working at IAI for a six month period the replacement of the Secretary to the Executive Director, Mrs. Luciana Ribeiro. Luciana will start her maternity leave in July. The cost of this replacement is shared between INPE and IAI.

Office Space

- In April, INPE authorized IAI to make alterations in the premises used by the IAI in order to have some space for storage and for a filing room. The cost of these alterations was paid by the IAI.