



INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH

CORE BUDGET REQUEST FOR
FISCAL YEAR 2017/2018
and
PRELIMINARY REQUEST 2018-2020

For review and approval by the EC/CoP
Bogota, Colombia
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1) Overview

This document contains the Directorate's operational budget for the 2017/2018 financial year. The budget shows all the funds needed to maintain the current level of service and operations, including the monitoring of CRN III, implementation of a new SGP-A program, training activities and additional programs according to current plans. It maintains operational expenses at a minimum despite an increase in activities related to the science policy activities, synthesis and future planning; it also accounts for the implementation of the currently functional parts of the tripartite IAI Directorate.

The IAI Core Budget supports the operations of the Directorate, the committees of the Conference of the Parties and Executive Council, and global initiatives on behalf of the IAI science communication and policy outreach. It represents approximately a quarter of the total budget administered by the IAI. The remainder is program funds that support activities coordinated and executed by the Directorate.

The major IAI Directorate activities during fiscal year 2017/2018 include:

a) Scientific activities

Management and Monitoring of the CRN III and SGP Programs

The CRN III program (2012-2018) is now in its fifth year and the majority of funds have been disbursed by the IAI according to schedule. Administrative and scientific problems associated with implementing credible interdisciplinarity have made it necessary to re-design funding flows for 16/17, and implement a no-cost extension beyond 2017 to guarantee a full project execution and meeting the planned objectives. A new SGP-A program is being launched and the call for proposals and project selection will be completed before the end of 2017. An in-depth analysis of science output, networking between countries and institutions, and science applications to decision making and policy IAI continues.

IAI observer status at UN conventions and scientific bodies.

The Directorate continues its participation at the United Nations Framework Convention on Climate Change (UNFCCC) meetings such as those of its Subsidiary Body for Scientific and Technological Advice (SBSTA) and Conference of the Parties (COP).

The Directorate is also developing activities with the Convention on Biological Diversity (CBD) and participating in its SBSTA and COP meetings as well as following those of its biodiversity and ecosystem services science assessment body IPBES.

IAI continues to engage in the UN Sustainable Development Goals (SDG) discussions and participated at the first meeting of the High-Level Political Forum (HLPF), since the adoption of the 2030 Agenda in 2015.

b) Outreach and Communication

For the past five years and after attempts to reduce cost and provide only an electronic form of the IAI Newsletter, a paper version is no longer produced, but the IAI website has been greatly enhanced, and rapid communications are being implemented using Facebook and Twitter. Several videos derived from science programs are being produced for the IAI Youtube channel.

c) Data Information System

The IAI servers are still being outsourced and as expected, service has improved security, connectivity and development potential of the system. New solutions are being put in place to further improve the IAI communication systems. An IAI conferencing system was implemented and is now functional. Similarly, an IT based telephone system that includes the director in Buenos Aires is now in place. With the new system, the IAI will have land-line access numbers in Uruguay and the USA.

d) Finance and Administration

The Financial and Administrative Office of IAI continues to streamline everyday activities, financial reporting, project monitoring, while maintaining internal controls, and satisfactory external audit results.

As in past years, the budget for 2017/2018 includes the contracting of an additional position to improve management, reporting and analysis, particularly of the science and capacity building programs, and assist the development of accounting records, for those activities across member countries. The final transition to Montevideo has been completed as planned and the office in Brazil, bank accounts and tax identifier for IAI have been closed.

A new Business Information system was successfully implemented in 2015 and it has improved the quality of the information and secure the data from previous years, including country contributions, projects, and participants. The new system (SAP Business One) is a solution designed for small businesses and it provides IAI with more reporting tools and better information management. This system was fully migrated to an IAI owned server in 2017.

Besides the analysis of financial reports and requests received from the grantees, Finance and Administration is responsible for the assessment and monitoring of the financial and administrative capabilities of prospective and current grantees as well as for the control of all contracts issued by the Directorate.

Ongoing activities include budget development, strategic planning, as well as management reporting and analysis.

2) Budget Request for Fiscal Year 2017-2018

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 2017/2018.

The proposed FY 17/18 budget amount maintains the operational budget of the Institute at the same level as proposed over the previous year, even after planning for severance and relocation expenses in 2017. The budget does not consider a proposal for changes in the total contribution amount, as anticipated the previous year. The proposed budget level allows IAI to continue with an improved level of activities and services and compensation for additional liabilities that have in the past not been included in the budget (see below).

a) Core Budget comparison

For the summary of the budget, please refer to Table I:

Table I: Budget Comparison 2017/2018 – 2016/2017
Summary by major category

Amounts in US\$	Fiscal Year 2017-2018	Fiscal Year 2016-2017	Difference
Salaries & Benefits	959,202	935,382	23,820
Travel	99,280	99,280	-
Equipment	10,700	10,700	-
Operational Costs	257,818	277,754	(19,936)
Dissemination & Outreach	39,000	39,000	-
Director's Fund	54,000	54,000	-
Total	1,420,000	1,416,116	3,884

b) Salaries and Benefits

Under this category the cost of 5 international positions, 1 locally hired staff, and one part-time staff in Brazil is budgeted.

The current details by employee status are provided below:

Employees by Type	Quantity
International Staff (DIR, 3 D.'s , PM)	5
Locally Hired (IAI) (1 Logistics Assistant)	1
Provided by LATU (Uruguay in-kind) (Accountant, Executive Assistant)	2
Provided by MINCYT (Argentina) Director Science Policy Liason	1
Capacity Building - Part-time Partly funded with Core Budget	1

Other details of the Salaries and Benefits line include:

- The US dollar to Uruguayan Peso exchange rate has partially compensated for the rate of inflation during the previous year. Therefore, no change in the Post-adjustment level is recommended in this budget. The procedure for future changes has been clearly defined and has been in use for the past 6 years. Based on the Post Adjustment procedure in place, the budget considers the same level of Post Adjustment as the calculation made in the third quarter of 2012, with a level of 25.1% for the International Positions. This level represents an average exchange rate of 30 Uruguayan Pesos per one US dollar.
- A total of US\$30k was reduced from the salary line as this is the IAI's expected income arising from a projected new initiative. This amount includes only the indirect costs covered by this project for the administration of the grant.
- The Salaries and Benefits line represents 68% of the IAI Core Budget (up from 2016/2017 at 66%, and from 2015-2016 at 67%) due to the effect of severance and relocation of the Executive Director position.
- Salaries will be adjusted to reflect higher costs of living in Montevideo over the past two years.

c) Travel

The travel budget for the 2017/2018 fiscal year has been maintained at the same level as the previous fiscal year still considering two combined EC meetings per year, however leaving an allowance for travel of the Directorate in Argentina. It includes attendance to the Executive Council and Conference of the Parties meetings for the Executive Director, area Directors, Director in Argentina and two Assistants; it also includes attendance by the Director, Scientific Director, and Program Manager at the SAC and SPAC Meetings, attendance of the Program Manager at the UNFCCC-COP-SBSTA meetings, and other travel based on previous years.

The detailed travel budget is as follows:

TRAVEL ESTIMATES FOR THE FISCAL YEAR 2017/2018 Amounts in US\$

Position	Perdiem	Air Fare	Total
Priority 1			
Executive Director	9,800	9,800	19,600
Science Programs Dir.	3,800	7,015	10,815
Finance and Admin. Director	9,700	9,695	19,395
Capacity Building Director	2,900	4,300	7,200
Program Manager	3,800	7,245	11,045
Argentina Directorate	10,800	11,225	22,025
Local Staff	1,620	1,500	4,020
Subtotal: Priority 1 Travel	42,420	50,780	94,100
Priority 2 and 3	2,228	2,952	5,180
Total Travel	44,648	53,732	99,280

d) Operational Expenses

This budget category primarily includes support for the following: staff training, professional services (external audit, legal advice, IT Services, translations, DIS services, accounting services, office supplies and communication costs, and meeting support for the Scientific Advisory Committee - SAC and for the Science-Policy Advisory committee - SPAC). The decrease from the previous year is due to lower funds for the Unliquidated Obligations to compensate for the additional expenses incurred for the severance and relocation of the Executive Director, as well as the relocation expenses of the new Executive Director.

e) Dissemination and Outreach

The costs of the IAI outreach activities are being kept level with last year by switching expenses from paper-based newsletter to web maintenance and production of audio-visual materials. It also includes web design, which is now part of the IT Management contract.

f) Director Special Fund

The Director's Special Funds was maintained from the previous fiscal year for a total of US\$54,000. For the past six years, the Directorate no longer supports activities that do not fit the science and outreach program, thereby making it more effective and strategically managed.

g) Core Budget Comparison 2017-2018 and 2016-2017

**Table II: Budget Comparison 2017-2018 - 2016-2017 - Bridge
Summary by major category**

Amounts in US\$	Fiscal Year 2017-2018	Fiscal Year 2016-2017	Difference	
Salaries & Benefits	959,202	935,382	23,820	(a)
Travel	99,280	99,280	-	
Equipment	10,700	10,700	-	
Operational Costs	257,818	277,754	(19,936)	(b)
Dissemination & Outreach	39,000	39,000	-	
Director's Fund	54,000	54,000	-	
Total	1,420,000	1,416,116	3,884	

(a) Salaries and Benefits	23,820	
Salaries and Benefits	23,820	Severance and relocation expenses
(b) Operational Costs	(19,936)	
Unliquidated Obligations Fund	(19,936)	Adjustment in ULF due to Severance

3) Member Country Contributions to the Core Budget

For fiscal year 2017-2018, the IAI Directorate proposes to maintain the level of contributions from the previous fiscal year.

**Table III: Current Contribution to CB by country
Amounts in US\$**

Country	% (*)	Contrib.
Argentina	5.01%	69,000
Bolivia	0.07%	5,000
Brazil	8.73%	120,000
Canada	12.63%	173,000
Chile	0.55%	8,000
Colombia	0.96%	13,000
Costa Rica	0.13%	5,000
Cuba	-	5,000
Dominican Republic	0.18%	5,000
Ecuador	0.18%	5,000
Guatemala	0.13%	5,000
Jamaica	0.18%	5,000
Mexico	6.21%	85,000
Panama	0.13%	5,000
Paraguay	0.20%	5,000
Peru	0.42%	6,000
United States	60.75%	831,000
Uruguay	0.27%	5,000
Venezuela	3.27%	45,000
FUND TOTAL	100.00%	1,400,000

(*): 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 requested contributions in multiples of US\$1,000 implemented in 2007

With the current forecast for contributions, IAI expects to fund 100% of the 2017/2018 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.

4) Three-year Core Budget (FY 17-18 / 18-19 / 19-20)

Table IV: Budget by Year 2017/2018 - 2018/2019 – 2019/2020
Summary by major category

Amounts in US\$	Fiscal Year 2017-2018	Fiscal Year 2018-2019	Fiscal Year 2019-2020
Salaries & Benefits	959,202	931,424	949,916
Travel	99,280	99,280	99,280
Equipment	10,700	15,000	15,000
Operational Costs	257,818	371,404	348,944
Dissemination & Outreach	39,000	45,000	50,000
Director's Fund	54,000	60,000	60,000
Total	1,420,000	1,522,108	1,523,140

The budget for 18/19 and 19/20 are for reference and planning purposes, and each year a three-year budget will be presented, however approval for each one is made yearly.